

**Amendment in the Nature of a Substitute  
to H.R. 1375**

**Offered by Mr. Bachus**

Strike all after the enacting clause and insert the  
following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the  
“Financial Services Regulatory Relief Act of 2003”.

(b) TABLE OF CONTENTS.—The table of contents  
for this Act is as follows:

Sec. 1. Short title; table of contents.

**TITLE I—NATIONAL BANK PROVISIONS**

Sec. 101. National bank directors.

Sec. 102. Voting in shareholder elections.

Sec. 103. Simplifying dividend calculations for national banks.

Sec. 104. Repeal of obsolete limitation on removal authority of the Comptroller  
of the Currency.

Sec. 105. Repeal of intrastate branch capital requirements.

Sec. 106. Clarification of waiver of publication requirements for bank merger  
notices.

Sec. 107. Capital equivalency deposits for Federal branches and agencies of for-  
eign banks.

Sec. 108. Equal treatment for Federal agencies of foreign banks.

Sec. 109. Maintenance of a Federal branch and a Federal agency in the same  
State.

Sec. 110. Business organization flexibility for national banks.

Sec. 111. Clarification of the main place of business of a national bank.

**TITLE II—SAVINGS ASSOCIATION PROVISIONS**



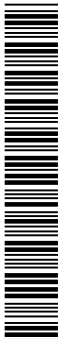
- Sec. 201. Parity for savings associations under the Securities Exchange Act of 1934 and the Investment Advisers Act of 1940.
- Sec. 202. Investments by Federal savings associations authorized to promote the public welfare.
- Sec. 203. Mergers and consolidations of Federal savings associations with non-depository institution affiliates.
- Sec. 204. Repeal of statutory dividend notice requirement for savings association subsidiaries of savings and loan holding companies.
- Sec. 205. Modernizing statutory authority for trust ownership of savings associations.
- Sec. 206. Repeal of overlapping rules governing purchased mortgage servicing rights.
- Sec. 207. Restatement of authority for Federal savings associations to invest in small business investment companies.
- Sec. 208. Removal of limitation on investments in auto loans.
- Sec. 209. Selling and offering of deposit products.
- Sec. 210. Funeral- and cemetery-related fiduciary services.
- Sec. 211. Repeal of qualified thrift lender requirement with respect to out-of-state branches.
- Sec. 212. Small business and other commercial loans.
- Sec. 213. Clarifying citizenship of Federal savings associations for Federal court jurisdiction.
- Sec. 214. Clarification of applicability of certain procedural doctrines.

#### TITLE III—CREDIT UNION PROVISIONS

- Sec. 301. Privately insured credit unions authorized to become members of a Federal home loan bank.
- Sec. 302. Leases of land on Federal facilities for credit unions.
- Sec. 303. Investments in securities by Federal credit unions.
- Sec. 304. Increase in general 12-year limitation of term of Federal credit union loans to 15 years.
- Sec. 305. Increase in 1 percent investment limit in credit union service organizations.
- Sec. 306. Member business loan exclusion for loans to nonprofit religious organizations.
- Sec. 307. Check cashing and money transfer services offered within the field of membership.
- Sec. 308. Voluntary mergers involving multiple common-bond credit unions.
- Sec. 309. Conversions involving common-bond credit unions.
- Sec. 310. Credit union governance.
- Sec. 311. Providing the National Credit Union Administration with greater flexibility in responding to market conditions.
- Sec. 312. Exemption from pre-merger notification requirement of the Clayton Act.
- Sec. 313. Treatment of credit unions as depository institutions under securities laws.

#### TITLE IV—DEPOSITORY INSTITUTION PROVISIONS

- Sec. 401. Easing restrictions on interstate branching and mergers.
- Sec. 402. Statute of limitations for judicial review of appointment of a receiver for depository institutions.
- Sec. 403. Reporting requirements relating to insider lending.



3

- Sec. 404. Amendment to provide an inflation adjustment for the small depository institution exception under the Depository Institution Management Interlocks Act.
- Sec. 405. Enhancing the safety and soundness of insured depository institutions.
- Sec. 406. Investments by insured savings associations in bank service companies authorized.
- Sec. 407. Cross guarantee authority.
- Sec. 408. Golden parachute authority and nonbank holding companies.
- Sec. 409. Amendments relating to change in bank control.

TITLE V—DEPOSITORY INSTITUTION AFFILIATES PROVISIONS

- Sec. 501. Clarification of cross marketing provision.
- Sec. 502. Amendment to provide the Federal Reserve Board with discretion concerning the imputation of control of shares of a company by trustees.
- Sec. 503. Eliminating geographic limits on thrift service companies.
- Sec. 504. Clarification of scope of applicable rate provision.

TITLE VI—BANKING AGENCY PROVISIONS

- Sec. 601. Waiver of examination schedule in order to allocate examiner resources.
- Sec. 602. Interagency data sharing.
- Sec. 603. Penalty for unauthorized participation by convicted individual.
- Sec. 604. Amendment permitting the destruction of old records of a depository institution by the FDIC after the appointment of the FDIC as receiver.
- Sec. 605. Modernization of recordkeeping requirement.
- Sec. 606. Clarification of extent of suspension, removal, and prohibition authority of Federal banking agencies in cases of certain crimes by institution-affiliated parties.
- Sec. 607. Streamlining depository institution merger application requirements.
- Sec. 608. Inclusion of Director of the Office of Thrift Supervision in list of banking agencies regarding insurance customer protection regulations.
- Sec. 609. Shortening of post-approval antitrust review period with the agreement of the Attorney General.
- Sec. 610. Protection of confidential information received by Federal banking regulators from foreign banking supervisors.
- Sec. 611. Prohibition on the participation in the affairs of bank holding company or Edge Act or agreement corporations by convicted individual.
- Sec. 612. Clarification that notice after separation from service may be made by an order.
- Sec. 613. Examiners of financial institutions.
- Sec. 614. Parity in standards for institution-affiliated parties.
- Sec. 615. Enforcement against misrepresentations regarding FDIC deposit insurance coverage.
- Sec. 616. Compensation of Federal home loan bank directors.

TITLE VII—CLERICAL AND TECHNICAL AMENDMENTS

- Sec. 701. Clerical amendments to the Home Owners' Loan Act.
- Sec. 702. Technical corrections to the Federal Credit Union Act.



Sec. 703. Other technical corrections.

Sec. 704. Repeal of obsolete provisions of the Bank Holding Company Act of 1956.

1           **TITLE I—NATIONAL BANK**  
2                           **PROVISIONS**

3   **SEC. 101. NATIONAL BANK DIRECTORS.**

4           Section 5146 of the Revised Statutes of the United  
5 States (12 U.S.C. 72) is amended—

6                   (1) by striking “SEC. 5146. Every director  
7           must during” and inserting the following:

8   **“SEC. 5146. REQUIREMENTS FOR BANK DIRECTORS.**

9           “(a) RESIDENCY REQUIREMENTS.—Every director of  
10 a national bank shall, during”;

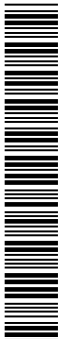
11                   (2) by striking “total number of directors.  
12 Every director must own in his or her own right”  
13 and inserting “total number of directors.

14   **“(b) INVESTMENT REQUIREMENT.—**

15                   “(1) IN GENERAL.—Every director of a na-  
16 tional bank shall own, in his or her own right,”; and

17                   (3) by adding at the end the following new  
18 paragraph:

19                   “(2) EXCEPTION FOR SUBORDINATED DEBT IN  
20 CERTAIN CASES.—In lieu of the requirements of  
21 paragraph (1) relating to the ownership of capital  
22 stock in the national bank, the Comptroller of the  
23 Currency may, by regulation or order, permit an in-  
24 dividual to serve as a director of a national bank



1       that has elected, or notifies the Comptroller of the  
2       bank's intention to elect, to operate as a S corpora-  
3       tion pursuant to section 1362(a) of the Internal  
4       Revenue Code of 1986, if that individual holds debt  
5       of at least \$1,000 issued by the national bank that  
6       is subordinated to the interests of depositors and  
7       other general creditors of the national bank.”.

8   **SEC. 102. VOTING IN SHAREHOLDER ELECTIONS.**

9       Section 5144 of the Revised Statutes of the United  
10      States (12 U.S.C. 61) is amended—

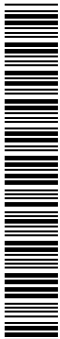
11           (1) by striking “or to cumulate” and inserting  
12           “or, if so provided by the articles of association of  
13           the national bank, to cumulate”;

14           (2) by striking the comma after “his shares  
15           shall equal”; and

16           (3) by adding at the end the following new sen-  
17           tence: “The Comptroller of the Currency may pre-  
18           scribe such regulations to carry out the purposes of  
19           this section as the Comptroller determines to be ap-  
20           propriate.”.

21   **SEC. 103. SIMPLIFYING DIVIDEND CALCULATIONS FOR NA-**  
22                           **TIONAL BANKS.**

23       Section 5199 of the Revised Statutes of the United  
24      States (12 U.S.C. 60) is amended to read as follows:



1 **“SEC. 5199. NATIONAL BANK DIVIDENDS.**

2 “(a) IN GENERAL.—Subject to subsection (b), the di-  
3 rectors of any national bank may declare a dividend of  
4 so much of the undivided profits of the bank as the direc-  
5 tors judge to be expedient.

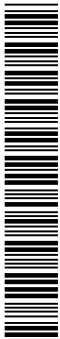
6 “(b) APPROVAL REQUIRED UNDER CERTAIN CIR-  
7 CUMSTANCES.—A national bank may not declare and pay  
8 dividends in any year in excess of an amount equal to the  
9 sum of the total of the net income of the bank for that  
10 year and the retained net income of the bank in the pre-  
11 ceding two years, minus any transfers required by the  
12 Comptroller of the Currency (including any transfers re-  
13 quired to be made to a fund for the retirement of any  
14 preferred stock), unless the Comptroller of the Currency  
15 approves the declaration and payment of dividends in ex-  
16 cess of such amount.”.

17 **SEC. 104. REPEAL OF OBSOLETE LIMITATION ON REMOVAL**  
18 **AUTHORITY OF THE COMPTROLLER OF THE**  
19 **CURRENCY.**

20 Section 8(e)(4) of the Federal Deposit Insurance Act  
21 (12 U.S.C. 1818(e)(4)) is amended by striking the 5th  
22 sentence.

23 **SEC. 105. REPEAL OF INTRASTATE BRANCH CAPITAL RE-**  
24 **QUIREMENTS.**

25 Section 5155(c) of the Revised Statutes of the United  
26 States (12 U.S.C. 36(c)) is amended—



1 (1) in the 2nd sentence, by striking “, without  
2 regard to the capital requirements of this section,”;  
3 and

4 (2) by striking the last sentence.

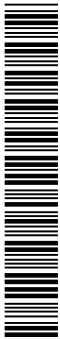
5 **SEC. 106. CLARIFICATION OF WAIVER OF PUBLICATION RE-**  
6 **QUIREMENTS FOR BANK MERGER NOTICES.**

7 The last sentence of sections 2(a) and 3(a)(2) of the  
8 National Bank Consolidation and Merger Act (12 U.S.C.  
9 215(a) and 215a(a)(2), respectively) are each amended by  
10 striking “Publication of notice may be waived, in cases  
11 where the Comptroller determines that an emergency ex-  
12 ists justifying such waiver, by unanimous action of the  
13 shareholders of the association or State bank” and insert-  
14 ing “Publication of notice may be waived if the Comp-  
15 troller determines that an emergency exists justifying such  
16 waiver or if the shareholders of the association or State  
17 bank agree by unanimous action to waive the publication  
18 requirement for their respective institutions”.

19 **SEC. 107. CAPITAL EQUIVALENCY DEPOSITS FOR FEDERAL**  
20 **BRANCHES AND AGENCIES OF FOREIGN**  
21 **BANKS.**

22 Section 4(g) of the International Banking Act of  
23 1978 (12 U.S.C. 3102(g)) is amended to read as follows:

24 “(g) CAPITAL EQUIVALENCY DEPOSIT.—

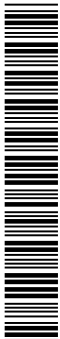


1           “(1) IN GENERAL.—Upon the opening of a  
2       Federal branch or agency of a foreign bank in any  
3       State and thereafter, the foreign bank, in addition to  
4       any deposit requirements imposed under section 6,  
5       shall keep on deposit, in accordance with such regu-  
6       lations as the Comptroller of the Currency may pre-  
7       scribe in accordance with paragraph (2), dollar de-  
8       posits, investment securities, or other assets in such  
9       amounts as the Comptroller of the Currency deter-  
10      mines to be necessary for the protection of deposi-  
11      tors and other investors and to be consistent with  
12      the principles of safety and soundness.

13           “(2) LIMITATION.—Notwithstanding paragraph  
14      (1), regulations prescribed under such paragraph  
15      shall not permit a foreign bank to keep assets on de-  
16      posit in an amount that is less than the amount re-  
17      quired for a State licensed branch or agency of a  
18      foreign bank under the laws and regulations of the  
19      State in which the Federal agency or branch is lo-  
20      cated.”.

21   **SEC. 108. EQUAL TREATMENT FOR FEDERAL AGENCIES OF**  
22                   **FOREIGN BANKS.**

23       The 1st sentence of section 4(d) of the International  
24   Banking Act of 1978 (12 U.S.C. 3102(d)) is amended by



1 inserting “from citizens or residents of the United States”  
2 after “deposits”.

3 **SEC. 109. MAINTENANCE OF A FEDERAL BRANCH AND A**  
4 **FEDERAL AGENCY IN THE SAME STATE.**

5 Section 4(e) of the International Banking Act of  
6 1978 (12 U.S.C. 3102(e)) is amended by inserting “if the  
7 maintenance of both an agency and a branch in the State  
8 is prohibited under the law of such State” before the pe-  
9 riod at the end.

10 **SEC. 110. BUSINESS ORGANIZATION FLEXIBILITY FOR NA-**  
11 **TIONAL BANKS.**

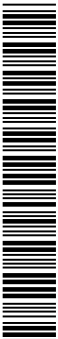
12 (a) IN GENERAL.—Chapter one of title LXII of the  
13 Revised Statutes of the United States (12 U.S.C. 21 et  
14 seq.) is amended by inserting after section 5136B the fol-  
15 lowing new section:

16 **“SEC. 5136C. ALTERNATIVE BUSINESS ORGANIZATION.**

17 “(a) IN GENERAL.—The Comptroller of the Currency  
18 may prescribe regulations—

19 “(1) to permit a national bank to be organized  
20 other than as a body corporate; and

21 “(2) to provide requirements for the organiza-  
22 tional characteristics of a national bank organized  
23 and operating other than as a body corporate, con-  
24 sistent with the safety and soundness of the national  
25 bank.



1       “(b) EQUAL TREATMENT.—Except as provided in  
2 regulations prescribed under subsection (a), a national  
3 bank that is operating other than as a body corporate shall  
4 have the same rights and privileges and shall be subject  
5 to the same duties, restrictions, penalties, liabilities, condi-  
6 tions, and limitations as a national bank that is organized  
7 as a body corporate.”.

8       (b) TECHNICAL AND CONFORMING AMENDMENT.—  
9 Section 5136 of the Revised Statutes of the United States  
10 (12 U.S.C. 24) is amended, in the matter preceding the  
11 paragraph designated as the “First”, by inserting “or  
12 other form of business organization provided under regula-  
13 tions prescribed by the Comptroller of the Currency under  
14 section 5136C” after “a body corporate”.

15       (c) CLERICAL AMENDMENT.—The table of sections  
16 for chapter one of title LXII of the Revised Statutes of  
17 the United States (12 U.S.C. 21 et seq.) is amended by  
18 inserting after the item relating to section 5136B the fol-  
19 lowing new item:

“5136C. Alternative business organization.”.

20       **SEC. 111. CLARIFICATION OF THE MAIN PLACE OF BUSI-**  
21                                   **NESS OF A NATIONAL BANK.**

22       Title LXII of the Revised Statutes of the United  
23 States is amended—

24               (1) in the paragraph designated the “Second”  
25       of section 5134 (12 U.S.C. 22), by striking “The



1 place where its operations of discount and deposit  
2 are to be carried on” and inserting “The place  
3 where the main office of the national bank is, or is  
4 to be, located”; and

5 (2) in section 5190 (12 U.S.C. 81), by striking  
6 “the place specified in its organization certificate”  
7 and inserting “the main office of the national bank”.

8 **TITLE II—SAVINGS ASSOCIATION**  
9 **PROVISIONS**

10 **SEC. 201. PARITY FOR SAVINGS ASSOCIATIONS UNDER THE**  
11 **SECURITIES EXCHANGE ACT OF 1934 AND**  
12 **THE INVESTMENT ADVISERS ACT OF 1940.**

13 (a) SECURITIES EXCHANGE ACT OF 1934.—

14 (1) DEFINITION OF BANK.—Section 3(a)(6) of  
15 the Securities Exchange Act of 1934 (15 U.S.C.  
16 78c(a)(6)) is amended—

17 (A) in subparagraph (A), by inserting “or  
18 a Federal savings association, as defined in sec-  
19 tion 2(5) of the Home Owners’ Loan Act” after  
20 “a banking institution organized under the laws  
21 of the United States”; and

22 (B) in subparagraph (C)—

23 (i) by inserting “or savings associa-  
24 tion as defined in section 2(4) of the Home



1 Owners' Loan Act," after "banking insti-  
2 tution,"; and

3 (ii) by inserting "or savings associa-  
4 tions" after "having supervision over  
5 banks".

6 (2) INCLUDE OTS UNDER THE DEFINITION OF  
7 APPROPRIATE REGULATORY AGENCY FOR CERTAIN  
8 PURPOSES.—Section 3(a)(34) of such Act (15  
9 U.S.C. 78c(a)(34)) is amended—

10 (A) in subparagraph (A)—

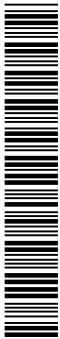
11 (i) in clause (ii), by striking "(i) or  
12 (iii)" and inserting "(i), (iii), or (iv)";

13 (ii) by striking "and" at the end of  
14 clause (iii);

15 (iii) by redesignating clause (iv) as  
16 clause (v); and

17 (iv) by inserting the following new  
18 clause after clause (iii):

19 "(iv) the Director of the Office of  
20 Thrift Supervision, in the case of a savings  
21 association (as defined in section 3(b) of  
22 the Federal Deposit Insurance Act (12  
23 U.S.C. 1813(b))) the deposits of which are  
24 insured by the Federal Deposit Insurance  
25 Corporation, a subsidiary or a department



1 or division of any such savings association,  
2 or a savings and loan holding company;  
3 and”;

4 (B) in subparagraph (B)—

5 (i) in clause (ii), by striking “(i) or  
6 (iii)” and inserting “(i), (iii), or (iv)”;

7 (ii) by striking “and” at the end of  
8 clause (iii);

9 (iii) by redesignating clause (iv) as  
10 clause (v); and

11 (iv) by inserting the following new  
12 clause after clause (iii):

13 “(iv) the Director of the Office of  
14 Thrift Supervision, in the case of a savings  
15 association (as defined in section 3(b) of  
16 the Federal Deposit Insurance Act (12  
17 U.S.C. 1813(b))) the deposits of which are  
18 insured by the Federal Deposit Insurance  
19 Corporation, or a subsidiary of any such  
20 savings association, or a savings and loan  
21 holding company; and”;

22 (C) in subparagraph (C)—

23 (i) in clause (ii), by striking “(i) or  
24 (iii)” and inserting “(i), (iii), or (iv)”;



1 (ii) by striking “and” at the end of  
2 clause (iii);

3 (iii) by redesignating clause (iv) as  
4 clause (v); and

5 (iv) by inserting the following new  
6 clause after clause (iii):

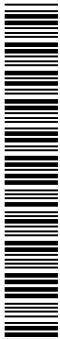
7 “(iv) the Director of the Office of  
8 Thrift Supervision, in the case of a savings  
9 association (as defined in section 3(b) of  
10 the Federal Deposit Insurance Act (12  
11 U.S.C. 1813(b))) the deposits of which are  
12 insured by the Federal Deposit Insurance  
13 Corporation, a savings and loan holding  
14 company, or a subsidiary of a savings and  
15 loan holding company when the appro-  
16 priate regulatory agency for such clearing  
17 agency is not the Commission; and”;

18 (D) in subparagraph (D)—

19 (i) by striking “and” at the end of  
20 clause (ii);

21 (ii) by redesignating clause (iii) as  
22 clause (iv); and

23 (iii) by inserting the following new  
24 clause after clause (ii):



1           “(iii) the Director of the Office of  
2 Thrift Supervision, in the case of a savings  
3 association (as defined in section 3(b) of  
4 the Federal Deposit Insurance Act (12  
5 U.S.C. 1813(b))) the deposits of which are  
6 insured by the Federal Deposit Insurance  
7 Corporation; and”;

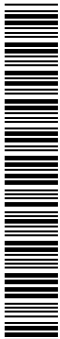
8 (E) in subparagraph (F)—

9           (i) by redesignating clauses (ii), (iii),  
10 and (iv) as clauses (iii), (iv), and (v), re-  
11 spectively; and

12           (ii) by inserting the following new  
13 clause after clause (i):

14           “(ii) the Director of the Office of  
15 Thrift Supervision, in the case of a savings  
16 association (as defined in section 3(b) of  
17 the Federal Deposit Insurance Act (12  
18 U.S.C. 1813(b))) the deposits of which are  
19 insured by the Federal Deposit Insurance  
20 Corporation; and”;

21           (F) at the end of the last undesignated  
22 paragraph, by inserting the following new sen-  
23 tence: “As used in this paragraph, the term  
24 ‘savings and loan holding company’ has the



1 meaning given it in section 10(a) of the Home  
2 Owners' Loan Act (12 U.S.C. 1467a(a)).”.

3 (b) INVESTMENT ADVISERS ACT OF 1940.—

4 (1) DEFINITION OF BANK.—Section 202(a)(2)  
5 of the Investment Advisers Act of 1940 (15 U.S.C.  
6 80b-2(a)(2)) is amended—

7 (A) in subparagraph (A) by inserting “or  
8 a Federal savings association, as defined in sec-  
9 tion 2(5) of the Home Owners' Loan Act” after  
10 “a banking institution organized under the laws  
11 of the United States”; and

12 (B) in subparagraph (C)—

13 (i) by inserting “, savings association  
14 as defined in section 2(4) of the Home  
15 Owners' Loan Act,” after “banking insti-  
16 tution”; and

17 (ii) by inserting “or savings associa-  
18 tions” after “having supervision over  
19 banks”.

20 (2) CONFORMING AMENDMENTS.—Subsections  
21 (a)(1)(A)(i), (a)(1)(B), (a)(2), and (b) of section  
22 210A of such Act (15 U.S.C. 80b-10a), as added by  
23 section 220 of the Gramm-Leach-Bliley Act, are  
24 each amended by striking “bank holding company”



1 each place it occurs and inserting “bank holding  
2 company or savings and loan holding company”.

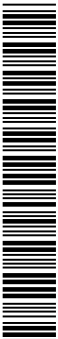
3 (c) CONFORMING AMENDMENT TO THE INVESTMENT  
4 COMPANY ACT OF 1940.—Section 10(c) of the Investment  
5 Company Act of 1940 (15 U.S.C. 80a–10(c)), as amended  
6 by section 213(c) of the Gramm-Leach-Bliley Act, is  
7 amended by inserting after “1956)” the following: “or any  
8 one savings and loan holding company (together with its  
9 affiliates and subsidiaries) (as such terms are defined in  
10 section 10 of the Home Owners’ Loan Act)”.

11 **SEC. 202. INVESTMENTS BY FEDERAL SAVINGS ASSOCIA-**  
12 **TIONS AUTHORIZED TO PROMOTE THE PUB-**  
13 **LIC WELFARE.**

14 (a) IN GENERAL.—Section 5(c)(3) of the Home Own-  
15 ers’ Loan Act (12 U.S.C. 1464(c)) is amended by adding  
16 at the end the following new subparagraph:

17 “(D) DIRECT INVESTMENTS TO PROMOTE  
18 THE PUBLIC WELFARE.—

19 “(i) IN GENERAL.—A Federal savings  
20 association may make investments de-  
21 signed primarily to promote the public wel-  
22 fare, including the welfare of low- and  
23 moderate-income communities or families  
24 through the provision of housing, services,  
25 and jobs.



18

1                   “(ii) DIRECT INVESTMENTS OR ACQUI-  
2                   SITION OF INTEREST IN OTHER COMPA-  
3                   NIES.—Investments under clause (i) may  
4                   be made directly or by purchasing interests  
5                   in an entity primarily engaged in making  
6                   such investments.

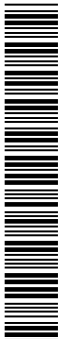
7                   “(iii) PROHIBITION ON UNLIMITED LI-  
8                   ABILITY.—No investment may be made  
9                   under this subparagraph which would sub-  
10                  ject a Federal savings association to unlim-  
11                  ited liability to any person.

12                  “(iv) SINGLE INVESTMENT LIMITA-  
13                  TION TO BE ESTABLISHED BY DIREC-  
14                  TOR.—Subject to clauses (v) and (vi), the  
15                  Director shall establish, by order or regula-  
16                  tion, limits on—

17                         “(I) the amount any savings as-  
18                         sociation may invest in any 1 project;  
19                         and

20                         “(II) the aggregate amount of in-  
21                         vestment of any savings association  
22                         under this subparagraph.

23                         “(v) FLEXIBLE AGGREGATE INVEST-  
24                         MENT LIMITATION.—The aggregate  
25                         amount of investments of any savings asso-

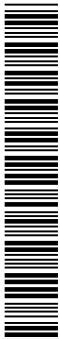


1 ciation under this subparagraph may not  
2 exceed an amount equal to the sum of 5  
3 percent of the savings association's capital  
4 stock actually paid in and unimpaired and  
5 5 percent of the savings association's  
6 unimpaired surplus, unless—

7 “(I) the Director determines that  
8 the savings association is adequately  
9 capitalized; and

10 “(II) the Director determines, by  
11 order, that the aggregate amount of  
12 investments in a higher amount than  
13 the limit under this clause will pose  
14 no significant risk to the affected de-  
15 posit insurance fund.

16 “(vi) MAXIMUM AGGREGATE INVEST-  
17 MENT LIMITATION.—Notwithstanding  
18 clause (v), the aggregate amount of invest-  
19 ments of any savings association under  
20 this subparagraph may not exceed an  
21 amount equal to the sum of 10 percent of  
22 the savings association's capital stock actu-  
23 ally paid in and unimpaired and 10 per-  
24 cent of the savings association's  
25 unimpaired surplus.



1                   “(vii) INVESTMENTS NOT SUBJECT TO  
2                   OTHER LIMITATION ON QUALITY OF IN-  
3                   VESTMENTS.—No obligation a Federal sav-  
4                   ings association acquires or retains under  
5                   this subparagraph shall be taken into ac-  
6                   count for purposes of the limitation con-  
7                   tained in section 28(d) of the Federal De-  
8                   posit Insurance Act on the acquisition and  
9                   retention of any corporate debt security  
10                  not of investment grade.”.

11               (b) TECHNICAL AND CONFORMING AMENDMENT.—  
12               Section 5(c)(3)(A) of the Home Owners’ Loan Act (12  
13               U.S.C. 1464(c)(3)(A)) is amended to read as follows:

14                   “(A) [Repealed.]”.

15       **SEC. 203. MERGERS AND CONSOLIDATIONS OF FEDERAL**  
16                   **SAVINGS ASSOCIATIONS WITH NONDEPOSI-**  
17                   **TORY INSTITUTION AFFILIATES.**

18               Section 5(d)(3) of the Home Owners’ Loan Act (12  
19               U.S.C. 1464(d)(3)) is amended—

20                   (1) by redesignating subparagraph (B) as sub-  
21                   paragraph (C); and

22                   (2) by inserting after subparagraph (A) the fol-  
23                   lowing new subparagraph:



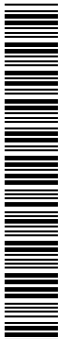
1                   “(B) MERGERS AND CONSOLIDATIONS  
2                   WITH NONDEPOSITORY INSTITUTION AFFILI-  
3                   ATES.—

4                   “(i) IN GENERAL.—Upon the approval  
5                   of the Director, a Federal savings associa-  
6                   tion may merge with any nondepository in-  
7                   stitution affiliate of the savings associa-  
8                   tion.

9                   “(ii) RULE OF CONSTRUCTION.—No  
10                  provision of clause (i) shall be construed  
11                  as—

12                  “(I) affecting the applicability of  
13                  section 18(c) of the Federal Deposit  
14                  Insurance Act; or

15                  “(II) granting a Federal savings  
16                  association any power or any author-  
17                  ity to engage in any activity that is  
18                  not authorized for a Federal savings  
19                  association under any other provision  
20                  of this Act or any other provision of  
21                  law.”.



1 **SEC. 204. REPEAL OF STATUTORY DIVIDEND NOTICE RE-**  
2 **QUIREMENT FOR SAVINGS ASSOCIATION SUB-**  
3 **SIDIARIES OF SAVINGS AND LOAN HOLDING**  
4 **COMPANIES.**

5 Section 10(f) of the Home Owners' Loan Act (12  
6 U.S.C. 1467a(f)) is amended to read as follows:

7 “(f) DECLARATION OF DIVIDEND.—The Director  
8 may—

9 “(1) require a savings association that is a sub-  
10 sidiary of a savings and loan holding company to  
11 give prior notice to the Director of the intent of the  
12 savings association to pay a dividend on its guar-  
13 anty, permanent, or other nonwithdrawable stock;  
14 and

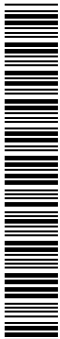
15 “(2) establish conditions on the payment of  
16 dividends by such a savings association.”.

17 **SEC. 205. MODERNIZING STATUTORY AUTHORITY FOR**  
18 **TRUST OWNERSHIP OF SAVINGS ASSOCIA-**  
19 **TIONS.**

20 (a) IN GENERAL.—Section 10(a)(1)(C) of the Home  
21 Owners' Loan Act (12 U.S.C. 1467a(a)(1)(C)) is  
22 amended—

23 (1) by striking “trust,” and inserting “business  
24 trust,”; and

25 (2) by inserting “or any other trust unless by  
26 its terms it must terminate within 25 years or not



1 later than 21 years and 10 months after the death  
2 of individuals living on the effective date of the  
3 trust,” after “or similar organization,”.

4 (b) TECHNICAL AND CONFORMING AMENDMENT.—  
5 Section 10(a)(3) of the Home Owners’ Loan Act (12  
6 U.S.C. 1467a(a)(3)) is amended—

7 (1) by striking “does not include—” and all  
8 that follows through “any company by virtue” where  
9 such term appears in subparagraph (A) and insert-  
10 ing “does not include any company by virtue”;

11 (2) by striking “; and” at the end of subpara-  
12 graph (A) and inserting a period; and

13 (3) by striking subparagraph (B).

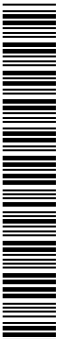
14 **SEC. 206. REPEAL OF OVERLAPPING RULES GOVERNING**  
15 **PURCHASED MORTGAGE SERVICING RIGHTS.**

16 Section 5(t) of the Home Owners’ Loan Act (12  
17 U.S.C. 1464(t)) is amended—

18 (1) by striking paragraph (4) and inserting the  
19 following new paragraph:

20 “(4) [Repealed.]”; and

21 (2) in paragraph (9)(A), by striking “intangible  
22 assets, plus” and all that follows through the period  
23 at the end and inserting “intangible assets.”.



1 **SEC. 207. RESTATEMENT OF AUTHORITY FOR FEDERAL**  
2 **SAVINGS ASSOCIATIONS TO INVEST IN SMALL**  
3 **BUSINESS INVESTMENT COMPANIES.**

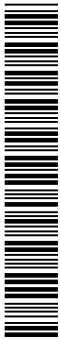
4 Subparagraph (D) of section 5(c)(4) of the Home  
5 Owners' Loan Act (12 U.S.C. 1464(c)(4)) is amended to  
6 read as follows:

7 “(D) SMALL BUSINESS INVESTMENT COM-  
8 PANIES.—Any Federal savings association may  
9 invest in 1 or more small business investment  
10 companies, or in any entity established to invest  
11 solely in small business investment companies  
12 formed under the Small Business Investment  
13 Act of 1958, except that the total amount of in-  
14 vestments under this subparagraph may not at  
15 any time exceed the amount equal to 5 percent  
16 of capital and surplus of the savings associa-  
17 tion.”.

18 **SEC. 208. REMOVAL OF LIMITATION ON INVESTMENTS IN**  
19 **AUTO LOANS.**

20 (a) IN GENERAL.—Section 5(c)(1) of the Home Own-  
21 ers' Loan Act (12 U.S.C. 1464(c)(1)) is amended by add-  
22 ing at the end the following new subparagraph:

23 “(V) AUTO LOANS.—Loans and leases for  
24 motor vehicles acquired for personal, family, or  
25 household purposes.”.



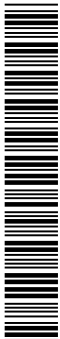
1 (b) TECHNICAL AND CONFORMING AMENDMENT RE-  
2 LATING TO QUALIFIED THRIFT INVESTMENTS.—Section  
3 10(m)(4)(C)(ii) of the Home Owners' Loan Act (12  
4 U.S.C. 1467a(m)(4)(C)(ii)) is amended by adding at the  
5 end the following new subclause:

6 “(VIII) Loans and leases for  
7 motor vehicles acquired for personal,  
8 family, or household purposes.”.

9 **SEC. 209. SELLING AND OFFERING OF DEPOSIT PRODUCTS.**

10 Section 15(h) of the Securities Exchange Act of  
11 1934 (15 U.S.C. 78o(h)) is amended by adding at  
12 the end the following new paragraph:

13 “(4) SELLING AND OFFERING OF DEPOSIT  
14 PRODUCTS.—No law, rule, regulation, or order, or  
15 other administrative action of any State or political  
16 subdivision thereof shall directly or indirectly require  
17 any individual who is an agent of 1 Federal savings  
18 association (as such term is defined in section 2(5)  
19 of the Home Owners' Loan Act (12 U.S.C. 1462(5))  
20 in selling or offering deposit (as such term is defined  
21 in section 3 of the Federal Deposit Insurance Act  
22 (12 U.S.C. 1813(l)) products issued by such associa-  
23 tion to qualify or register as a broker, dealer, associ-  
24 ated person of a broker, or associated person of a



1 dealer, or to qualify or register in any other similar  
2 status or capacity, if the individual does not—

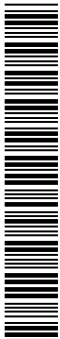
3 “(A) accept deposits or make withdrawals  
4 on behalf of any customer of the association;

5 “(B) offer or sell a deposit product as an  
6 agent for another entity that is not subject to  
7 supervision and examination by a Federal bank-  
8 ing agency (as defined in section 3(z) of the  
9 Federal Deposit Insurance Act (12 U.S.C.  
10 1813(z)), the National Credit Union Adminis-  
11 tration, or any officer, agency, or other entity  
12 of any State which has primary regulatory au-  
13 thority over State banks, State savings associa-  
14 tions, or State credit unions;

15 “(C) offer or sell a deposit product that is  
16 not an insured deposit (as defined in section  
17 3(m) of the Federal Deposit Insurance Act (12  
18 U.S.C. 1813(m));

19 “(D) offer or sell a deposit product which  
20 contains a feature that makes it callable at the  
21 option of such Federal savings association; or

22 “(E) create a secondary market with re-  
23 spect to a deposit product or otherwise add en-  
24 hancements or features to such product inde-  
25 pendent of those offered by the association.”.



1   **SEC. 210. FUNERAL- AND CEMETERY-RELATED FIDUCIARY**  
2                   **SERVICES.**

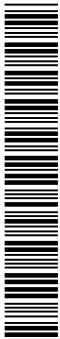
3           Section 5(n) of the Home Owners' Loan Act (12  
4   U.S.C. 1464(n)) is amended by adding at the end the fol-  
5   lowing new paragraph:

6                   “(11) FUNERAL- AND CEMETERY-RELATED FI-  
7           DUCIARY SERVICES.—

8                   “(A) IN GENERAL.—A funeral director or  
9           cemetery operator, when acting in such capac-  
10          ity, (or any other person in connection with a  
11          contract or other agreement with a funeral di-  
12          rector or cemetery operator) may engage any  
13          Federal savings association, regardless of where  
14          the association is located, to act in any fidu-  
15          ciary capacity in which the savings association  
16          has the right to act in accordance with this sec-  
17          tion, including holding funds deposited in trust  
18          or escrow by the funeral director or cemetery  
19          operator (or by such other party), and the sav-  
20          ings association may act in such fiduciary ca-  
21          pacity on behalf of the funeral director or ceme-  
22          tery operator (or such other person).

23                   “(B) DEFINITIONS.—For purposes of this  
24          paragraph, the following definitions shall apply:

25                   “(i) CEMETERY.—The term ‘ceme-  
26          tery’ means any land or structure used, or



1 intended to be used, for the interment of  
2 human remains in any form.

3 “(ii) CEMETERY OPERATOR.—The  
4 term ‘cemetery operator’ means any person  
5 who contracts or accepts payment for mer-  
6 chandise, endowment, or perpetual care  
7 services in connection with a cemetery.

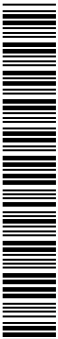
8 “(iii) FUNERAL DIRECTOR.—The term  
9 ‘funeral director’ means any person who  
10 contracts or accepts payment to provide or  
11 arrange—

12 “(I) services for the final disposi-  
13 tion of human remains; or

14 “(II) funeral services, property,  
15 or merchandise (including cemetery  
16 services, property, or merchandise).”.

17 **SEC. 211. REPEAL OF QUALIFIED THRIFT LENDER RE-**  
18 **QUIREMENT WITH RESPECT TO OUT-OF-**  
19 **STATE BRANCHES.**

20 Section 5(r)(1) of the Home Owners’ Loan Act (12  
21 U.S.C. 1464(r)(1)) is amended by striking the ultimate  
22 sentence.



1 **SEC. 212. SMALL BUSINESS AND OTHER COMMERCIAL**  
2 **LOANS.**

3 (a) ELIMINATION OF LENDING LIMIT ON SMALL  
4 BUSINESS LOANS.—Section 5(c)(1) of the Home Owners'  
5 Loan Act (12 U.S.C. 1464(c)(1)) is amended by inserting  
6 after subparagraph (V) (as added by section 208 of this  
7 title) the following new subparagraph:

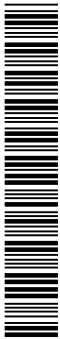
8 “(W) SMALL BUSINESS LOANS.—Small  
9 business loans, as defined in regulations which  
10 the Director shall prescribe.”

11 (b) INCREASE IN LENDING LIMIT ON OTHER BUSI-  
12 NESS LOANS.—Section 5(c)(2)(A) of the Home Owners'  
13 Loan Act (12 U.S.C. 1464(c)(2)(A)) is amended by strik-  
14 ing “, and amounts in excess of 10 percent” and all that  
15 follows through “by the Director”.

16 **SEC. 213. CLARIFYING CITIZENSHIP OF FEDERAL SAVINGS**  
17 **ASSOCIATIONS FOR FEDERAL COURT JURIS-**  
18 **DICTION.**

19 Section 5 of the Home Owners' Loan Act (12 U.S.C.  
20 1464) is amended by adding at the end the following new  
21 subsection:

22 “(x) HOME STATE CITIZENSHIP.—In determining  
23 whether a Federal court has diversity jurisdiction over a  
24 case in which a Federal savings association is a party, the  
25 Federal savings association shall be considered to be a cit-



1    izen only of the State in which such savings association  
2    has its main office.”.

3    **SEC. 214. CLARIFICATION OF APPLICABILITY OF CERTAIN**  
4                   **PROCEDURAL DOCTRINES.**

5           Section 11A(d) of the Federal Deposit Insurance Act  
6    (12 U.S.C. 1821a(d)) is amended—

7                   (1) by striking “LEGAL PROCEEDINGS.—Any  
8           judgment” and inserting “LEGAL PROCEEDINGS.—

9                   “(1) IN GENERAL.—Any judgment”; and

10                  (2) by adding at the end the following new  
11    paragraph:

12                  “(2) CLARIFICATION OF APPLICABILITY OF  
13    CERTAIN PROCEDURAL DOCTRINES.—In any pro-  
14    ceeding seeking a monetary recovery against the  
15    United States, or an agency or official thereof, based  
16    upon actions of the Federal Savings and Loan In-  
17    surance Corporation prior to its dissolution, or the  
18    Federal Home Loan Bank Board prior to its dis-  
19    solution, and arising from the Financial Institutions  
20    Reform, Recovery, and Enforcement Act of 1989 or  
21    its implementation, and where any monetary recov-  
22    ery in such proceeding would be paid from the  
23    FSLIC Resolution Fund or any supplements there-  
24    to, neither the United States Court of Federal  
25    Claims, the United States Court of Appeals for the



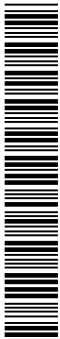
1 Federal Circuit, nor any other court of competent  
2 jurisdiction shall dismiss, or affirm on appeal the  
3 dismissal of, the claims of any party seeking such  
4 monetary recovery, on the basis of res judicata, col-  
5 lateral estoppel, or any similar doctrine, defense, or  
6 rule of law, based upon any decision, opinion, or  
7 order of judgment entered by any court prior to July  
8 1, 1996. Unless some other defense is applicable, in  
9 any such proceeding, the United States Court of  
10 Federal Claims, the United States Court of Appeals  
11 for the Federal Circuit, and any other court of com-  
12 petent jurisdiction shall review the merits of the  
13 claims of the party seeking such monetary relief and  
14 shall enter judgment accordingly.”.

15 **TITLE III—CREDIT UNION**  
16 **PROVISIONS**

17 **SEC. 301. PRIVATELY INSURED CREDIT UNIONS AUTHOR-**  
18 **IZED TO BECOME MEMBERS OF A FEDERAL**  
19 **HOME LOAN BANK.**

20 (a) IN GENERAL.—Section 4(a) of the Federal Home  
21 Loan Bank Act (12 U.S.C. 1424(a)) is amended by adding  
22 at the end the following new paragraph:

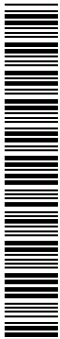
23 “(5) CERTAIN PRIVATELY INSURED CREDIT  
24 UNIONS.—



1           “(A) IN GENERAL.—A credit union which  
2           has been determined, in accordance with section  
3           43(e)(1) of the Federal Deposit Insurance Act  
4           and subject to the requirements of subpara-  
5           graph (B), to meet all eligibility requirements  
6           for Federal deposit insurance shall be treated  
7           as an insured depository institution for pur-  
8           poses of determining the eligibility of such cred-  
9           it union for membership in a Federal home loan  
10          bank under paragraphs (1), (2), and (3).

11          “(B) CERTIFICATION BY APPROPRIATE SU-  
12          PERVISOR.—

13               “(i) IN GENERAL.—For purposes of  
14               this paragraph and subject to clause (ii), a  
15               credit union which lacks Federal deposit  
16               insurance and which has applied for mem-  
17               bership in a Federal home loan bank may  
18               be treated as meeting all the eligibility re-  
19               quirements for Federal deposit insurance  
20               only if the appropriate supervisor of the  
21               State in which the credit union is char-  
22               tered has determined that the credit union  
23               meets all the eligibility requirements for  
24               Federal deposit insurance as of the date of  
25               the application for membership.



1                   “(ii)       CERTIFICATION       DEEMED  
2                   VALID.—If, in the case of any credit union  
3                   to which clause (i) applies, the appropriate  
4                   supervisor of the State in which such cred-  
5                   it union is chartered fails to make a deter-  
6                   mination pursuant to such clause by the  
7                   end of the 6-month period beginning on  
8                   the date of the application, the credit  
9                   union shall be deemed to have met the re-  
10                  quirements of clause (i).

11                 “(C) SECURITY INTERESTS OF FEDERAL  
12                 HOME LOAN BANK NOT AVOIDABLE.—Notwith-  
13                 standing any provision of State law authorizing  
14                 a conservator or liquidating agent of a credit  
15                 union to repudiate contracts, no such provision  
16                 shall apply with respect to—

17                         “(i) any extension of credit from any  
18                         Federal home loan bank to any credit  
19                         union which is a member of any such bank  
20                         pursuant to this paragraph; or

21                         “(ii) any security interest in the as-  
22                         sets of such credit union securing any such  
23                         extension of credit.”.

24                 (b) COPIES OF AUDITS OF PRIVATE INSURERS OF  
25                 CERTAIN DEPOSITORY INSTITUTIONS REQUIRED TO BE



1 PROVIDED TO SUPERVISORY AGENCIES.—Section  
2 43(a)(2) of the Federal Deposit Insurance Act (12 U.S.C.  
3 1831t(a)(2)) is amended—

4 (1) by striking “and” at the end of subpara-  
5 graph (A)(i);

6 (2) by striking the period at the end of clause  
7 (ii) of subparagraph (A) and inserting a semicolon;

8 (3) by inserting the following new clauses at the  
9 end of subparagraph (A):

10 “(iii) in the case of depository institu-  
11 tions described in subsection (f)(2)(A) the  
12 deposits of which are insured by the pri-  
13 vate insurer, the National Credit Union  
14 Administration, not later than 7 days after  
15 that audit is completed; and

16 “(iv) in the case of depository institu-  
17 tions described in subsection (f)(2)(A) the  
18 deposits of which are insured by the pri-  
19 vate insurer which are members of a Fed-  
20 eral home loan bank, the Federal Housing  
21 Finance Board, not later than 7 days after  
22 that audit is completed.”; and

23 (4) by adding at the end of such section  
24 43(a)(2) the following new subparagraph:



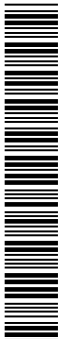
1           “(C) CONSULTATION.—The appropriate  
2           supervisory agency of each State in which a pri-  
3           vate deposit insurer insures deposits in an insti-  
4           tution described in subsection (f)(2)(A) which—  
5                   “(i) lacks Federal deposit insurance;  
6                   and  
7                   “(ii) has become a member of a Fed-  
8                   eral home loan bank,  
9           shall provide the National Credit Union Admin-  
10          istration, upon request, with the results of any  
11          examination and reports related thereto con-  
12          cerning the private deposit insurer to which  
13          such agency may have in its possession.”.

14   **SEC. 302. LEASES OF LAND ON FEDERAL FACILITIES FOR**  
15                   **CREDIT UNIONS.**

16          (a) IN GENERAL.—Section 124 of the Federal Credit  
17   Union Act (12 U.S.C. 1770) is amended—

18               (1) by striking “Upon application by any credit  
19               union” and inserting “Notwithstanding any other  
20               provision of law, upon application by any credit  
21               union”;

22               (2) by inserting “on lands reserved for the use  
23               of, and under the exclusive or concurrent jurisdiction  
24               of, the United States or” after “officer or agency of



1 the United States charged with the allotment of  
2 space”;

3 (3) by inserting “lease land or” after “such of-  
4 ficer or agency may in his or its discretion”; and

5 (4) by inserting “or the facility built on the  
6 lease land” after “credit union to be served by the  
7 allotment of space”.

8 (b) CLERICAL AMENDMENT.—The heading for sec-  
9 tion 124 is amended by inserting “OR FEDERAL LAND”  
10 after “BUILDINGS”.

11 **SEC. 303. INVESTMENTS IN SECURITIES BY FEDERAL CRED-**  
12 **IT UNIONS.**

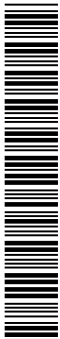
13 Section 107 of the Federal Credit Union Act (12  
14 U.S.C. 1757) is amended—

15 (1) in the matter preceding paragraph (1) by  
16 striking “A Federal credit union” and inserting “(a)  
17 IN GENERAL.—Any Federal credit union”; and

18 (2) by adding at the end the following new sub-  
19 section:

20 “(b) INVESTMENT FOR THE CREDIT UNION’S OWN  
21 ACCOUNT.—

22 “(1) IN GENERAL.—A Federal credit union may  
23 purchase and hold for its own account such invest-  
24 ment securities of investment grade as the Board  
25 may authorize by regulation, subject to such limita-



1        tions and restrictions as the Board may prescribe in  
2        the regulations.

3        “(2) PERCENTAGE LIMITATIONS.—

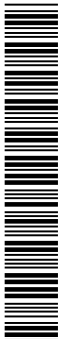
4                “(A) SINGLE OBLIGOR.—In no event may  
5        the total amount of investment securities of any  
6        single obligor or maker held by a Federal credit  
7        union for the credit union’s own account exceed  
8        at any time an amount equal to 10 percent of  
9        the net worth of the credit union.

10               “(B) AGGREGATE INVESTMENTS.—In no  
11        event may the aggregate amount of investment  
12        securities held by a Federal credit union for the  
13        credit union’s own account exceed at any time  
14        an amount equal to 10 percent of the assets of  
15        the credit union.

16        “(3) INVESTMENT SECURITY DEFINED.—

17               “(A) IN GENERAL.—For purposes of this  
18        subsection, the term ‘investment security’  
19        means marketable obligations evidencing the in-  
20        debtedness of any person in the form of bonds,  
21        notes, or debentures and other instruments  
22        commonly referred to as investment securities.

23               “(B) FURTHER DEFINITION BY BOARD.—  
24        The Board may further define the term ‘invest-  
25        ment security’.



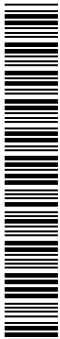
1           “(4) INVESTMENT GRADE DEFINED.—The term  
2           ‘investment grade’ means with respect to an invest-  
3           ment security purchased by a credit union for its  
4           own account, an investment security that at the time  
5           of such purchase is rated in one of the 4 highest rat-  
6           ing categories by at least 1 nationally recognized  
7           statistical rating organization.

8           “(5) CLARIFICATION OF PROHIBITION ON  
9           STOCK OWNERSHIP.—No provision of this sub-  
10          section shall be construed as authorizing a Federal  
11          credit union to purchase shares of stock of any cor-  
12          poration for the credit union’s own account, except  
13          as otherwise permitted by law.”.

14   **SEC. 304. INCREASE IN GENERAL 12-YEAR LIMITATION OF**  
15                   **TERM OF FEDERAL CREDIT UNION LOANS TO**  
16                   **15 YEARS.**

17          Section 107(a)(5) of the Federal Credit Union Act  
18          (12 U.S.C. 1757(5)) (as so designated by section 303 of  
19          this title) is amended—

20               (1) in the matter preceding subparagraph (A),  
21          by striking “to make loans, the maturities of which  
22          shall not exceed twelve years except as otherwise  
23          provided herein” and inserting “to make loans, the  
24          maturities of which shall not exceed 15 years or any



1 longer maturity as the Board may allow, in regula-  
2 tions, except as otherwise provided in this Act”;

3 (2) in subparagraph (A)—

4 (A) by striking clause (ii);

5 (B) by redesignating clauses (iii) through  
6 (x) as clauses (ii) through (ix), respectively; and

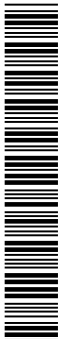
7 (C) by inserting “and” after the semicolon  
8 at the end of clause (viii) (as so redesignated).

9 **SEC. 305. INCREASE IN 1 PERCENT INVESTMENT LIMIT IN**  
10 **CREDIT UNION SERVICE ORGANIZATIONS.**

11 Section 107(a)(7)(I) of the Federal Credit Union Act  
12 (12 U.S.C. 1757(7)(I)) (as so designated by section 303  
13 of this title) is amended by striking “up to 1 per centum  
14 of the total paid” and inserting “up to 3 percent of the  
15 total paid”.

16 **SEC. 306. MEMBER BUSINESS LOAN EXCLUSION FOR LOANS**  
17 **TO NONPROFIT RELIGIOUS ORGANIZATIONS.**

18 Section 107A(a) of the Federal Credit Union Act (12  
19 U.S.C. 1757a(a)) is amended by inserting “, excluding  
20 loans made to nonprofit religious organizations,” after  
21 “total amount of such loans”.



1 **SEC. 307. CHECK CASHING AND MONEY TRANSFER SERV-**  
2 **ICES OFFERED WITHIN THE FIELD OF MEM-**  
3 **BERSHIP.**

4 Paragraph (12) of section 107(a) of the Federal  
5 Credit Union Act (12 U.S.C. 1757(12)) (as so designated  
6 by section 303 of this title) is amended to read as follows:

7 “(12) in accordance with regulations prescribed  
8 by the Board—

9 “(A) to sell, to persons in the field of  
10 membership, negotiable checks (including trav-  
11 elers checks), money orders, and other similar  
12 money transfer instruments (including elec-  
13 tronic fund transfers); and

14 “(B) to cash checks and money orders and  
15 receive electronic fund transfers for persons in  
16 the field of membership for a fee;”.

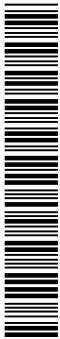
17 **SEC. 308. VOLUNTARY MERGERS INVOLVING MULTIPLE**  
18 **COMMON-BOND CREDIT UNIONS.**

19 Section 109(d)(2) of the Federal Credit Union Act  
20 (12 U.S.C. 1759(d)(2)) is amended—

21 (1) by striking “or” at the end of clause (ii) of  
22 subparagraph (B);

23 (2) by striking the period at the end of sub-  
24 paragraph (C) and inserting “; or”; and

25 (3) by adding at the end the following new sub-  
26 paragraph:

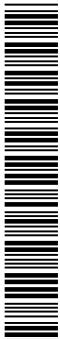


1           “(D) a merger involving any such Federal  
2           credit union approved by the Board on or after  
3           August 7, 1998.”.

4   **SEC. 309. CONVERSIONS INVOLVING COMMON-BOND CRED-**  
5           **IT UNIONS.**

6           Section 109(g) of the Federal Credit Union Act (12  
7   U.S.C. 1759(g)) is amended by inserting after paragraph  
8   (2) the following new paragraph:

9           “(3) CRITERIA FOR CONTINUED MEMBERSHIP  
10          OF CERTAIN MEMBER GROUPS IN COMMUNITY CHAR-  
11          TER CONVERSIONS.—In the case of a voluntary con-  
12          version of a common-bond credit union described in  
13          paragraph (1) or (2) of subsection (b) into a com-  
14          munity credit union described in subsection (b)(3),  
15          the Board shall prescribe, by regulation, the criteria  
16          under which the Board may determine that a mem-  
17          ber group or other portion of a credit union’s exist-  
18          ing membership, that is located outside the well-de-  
19          fined local community, neighborhood, or rural dis-  
20          trict that shall constitute the community charter,  
21          can be satisfactorily served by the credit union and  
22          remain within the community credit union’s field of  
23          membership.”.



1 **SEC. 310. CREDIT UNION GOVERNANCE.**

2 (a) EXPULSION OF MEMBERS FOR JUST CAUSE.—

3 Subsection (b) of section 118 of the Federal Credit Union  
4 Act (12 U.S.C. 1764(b)) is amended to read as follows:

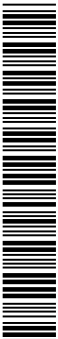
5 “(b) POLICY AND ACTIONS OF BOARDS OF DIREC-  
6 TORS OF FEDERAL CREDIT UNIONS.—

7 “(1) EXPULSION OF MEMBERS FOR NON-  
8 PARTICIPATION OR FOR JUST CAUSE.—The board of  
9 directors of a Federal credit union may, by majority  
10 vote of a quorum of directors, adopt and enforce a  
11 policy with respect to expulsion from membership,  
12 by a majority vote of such board of directors, based  
13 on just cause, including disruption of credit union  
14 operations, or on nonparticipation by a member in  
15 the affairs of the credit union.

16 “(2) WRITTEN NOTICE OF POLICY TO MEM-  
17 BERS.—If a policy described in paragraph (1) is  
18 adopted, written notice of the policy as adopted and  
19 the effective date of such policy shall be provided  
20 to—

21 “(A) each existing member of the credit  
22 union not less than 30 days prior to the effec-  
23 tive date of such policy; and

24 “(B) each new member prior to or upon  
25 applying for membership.”.

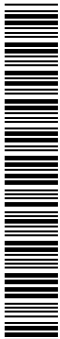


1 (b) TERM LIMITS AUTHORIZED FOR BOARD MEM-  
2 BERS OF FEDERAL CREDIT UNIONS.—Section 111(a) of  
3 the Federal Credit Union Act (12 U.S.C. 1761(a)) is  
4 amended by adding at the end the following new sentence:  
5 “The bylaws of a Federal credit union may limit the num-  
6 ber of consecutive terms any person may serve on the  
7 board of directors of such credit union.”.

8 (c) REIMBURSEMENT FOR LOST WAGES DUE TO  
9 SERVICE ON CREDIT UNION BOARD NOT TREATED AS  
10 COMPENSATION.—Section 111(c) of the Federal Credit  
11 Union Act (12 U.S.C. 1761(c)) is amended by inserting  
12 “, including lost wages,” after “the reimbursement of rea-  
13 sonable expenses”.

14 **SEC. 311. PROVIDING THE NATIONAL CREDIT UNION AD-**  
15 **MINISTRATION WITH GREATER FLEXIBILITY**  
16 **IN RESPONDING TO MARKET CONDITIONS.**

17 Section 107(a)(5)(A)(vi)(I) of the Federal Credit  
18 Union Act (12 U.S.C. 1757(5)(A)(vi)(I)) (as so designated  
19 by section 303 of this title) is amended by striking “six-  
20 month period and that prevailing interest rate levels” and  
21 inserting “6-month period or that prevailing interest rate  
22 levels”.



1 **SEC. 312. EXEMPTION FROM PRE-MERGER NOTIFICATION**  
2 **REQUIREMENT OF THE CLAYTON ACT.**

3 Section 7A(c)(7) of the Clayton Act (15 U.S.C.  
4 18a(c)(7)) is amended by inserting “205(b)(3) of the Fed-  
5 eral Credit Union Act (12 U.S.C. 1785(b)(3),” before “or  
6 section 3”.

7 **SEC. 313. TREATMENT OF CREDIT UNIONS AS DEPOSITORY**  
8 **INSTITUTIONS UNDER SECURITIES LAWS.**

9 (a) DEFINITION OF BANK UNDER THE SECURITIES  
10 EXCHANGE ACT OF 1934.—Section 3(a)(6) of the Securi-  
11 ties Exchange Act of 1934 (15 U.S.C. 78c(a)(6)) (as  
12 amended by section 201(a)(1) of this Act) is amended—

13 (1) by striking “this title, and (D) a receiver”  
14 and inserting “this title, (D) an insured credit union  
15 (as defined in section 101(7) of the Federal Credit  
16 Union Act) but only for purposes of paragraphs (4)  
17 and (5) of this subsection and only for activities oth-  
18 erwise authorized by applicable laws to which such  
19 credit unions are subject, and (E) a receiver”; and

20 (2) in subparagraph (E) (as so redesignated by  
21 paragraph (1) of this subsection) by striking “(A),  
22 (B), or (C)” and inserting “(A), (B), (C), or (D)”.

23 (b) DEFINITION OF BANK UNDER THE INVESTMENT  
24 ADVISERS ACT OF 1940.—Section 202(a)(2) of the In-  
25 vestment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(2))



1 (as amended by section 201(b)(1) of this Act) is  
2 amended—

3 (1) by striking “this title, and (D) a receiver”  
4 and inserting “this title, (D) an insured credit union  
5 (as defined in section 101(7) of the Federal Credit  
6 Union Act) but only for activities otherwise author-  
7 ized by applicable laws to which such credit unions  
8 are subject, and (E) a receiver”; and

9 (2) in subparagraph (E) (as so redesignated by  
10 paragraph (1) of this subsection) by striking “(A),  
11 (B), or (C)” and inserting “(A), (B), (C), or (D)”.

12 (c) DEFINITION OF APPROPRIATE FEDERAL BANK-  
13 ING AGENCY.—Section 210A(c) of the Investment Advis-  
14 ers Act of 1940 (15 U.S.C. 80b–10a(c)) is amended by  
15 inserting “and includes the National Credit Union Admin-  
16 istration Board, in the case of an insured credit union (as  
17 defined in section 101(7) of the Federal Credit Union  
18 Act)” before the period at the end.

19 **TITLE IV—DEPOSITORY**  
20 **INSTITUTION PROVISIONS**

21 **SEC. 401. EASING RESTRICTIONS ON INTERSTATE BRANCH-**  
22 **ING AND MERGERS.**

23 (a) DE NOVO INTERSTATE BRANCHES OF NATIONAL  
24 BANKS.—



1 (1) IN GENERAL.—Section 5155(g)(1) of the  
2 Revised Statutes of the United States (12 U.S.C.  
3 36(g)(1)) is amended by striking “maintain a  
4 branch if—” and all that follows through the end of  
5 subparagraph (B) and inserting “maintain a  
6 branch.”.

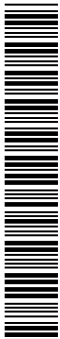
7 (2) CLERICAL AMENDMENT.—The heading for  
8 subsection (g) of section 5155 of the Revised Stat-  
9 utes of the United States is amended by striking  
10 “STATE ‘OPT-IN’ ELECTION TO PERMIT”.

11 (b) DE NOVO INTERSTATE BRANCHES OF STATE  
12 NONMEMBER BANKS.—

13 (1) IN GENERAL.—Section 18(d)(4)(A) of the  
14 Federal Deposit Insurance Act (12 U.S.C.  
15 1828(d)(4)(A)) is amended by striking “maintain a  
16 branch if—” and all that follows through the end of  
17 clause (ii) and inserting “maintain a branch.”.

18 (2) CLERICAL AMENDMENT.—The heading for  
19 paragraph (4) of section 18(d) of the Federal De-  
20 posit Insurance Act is amended by striking “STATE  
21 ‘OPT-IN’ ELECTION TO PERMIT INTERSTATE” and in-  
22 serting “INTERSTATE”.

23 (c) DE NOVO INTERSTATE BRANCHES OF STATE  
24 MEMBER BANKS.—The 3rd undesignated paragraph of  
25 section 9 of the Federal Reserve Act (12 U.S.C. 321) is



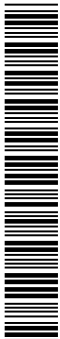
1 amended by adding at the end the following new sen-  
2 tences: “A State member bank may establish and operate  
3 a de novo branch in a host State (as such terms are de-  
4 fined in section 18(d) of the Federal Deposit Insurance  
5 Act) on the same terms and conditions and subject to the  
6 same limitations and restrictions as are applicable to the  
7 establishment of a de novo branch of a national bank in  
8 a host State under section 5155(g) of the Revised Statutes  
9 of the United States. Such section 5155(g) shall be ap-  
10 plied for purposes of the preceding sentence by sub-  
11 stituting ‘Board of Governors of the Federal Reserve Sys-  
12 tem’ for ‘Comptroller of the Currency’ and ‘State member  
13 bank’ for ‘national bank’.”.

14 (d) INTERSTATE MERGER OF BANKS.—

15 (1) MERGER OF INSURED BANK WITH ANOTHER  
16 DEPOSITORY INSTITUTION OR TRUST COMPANY.—  
17 Section 44(a)(1) of the Federal Deposit Insurance  
18 Act (12 U.S.C. 1831u(a)(1)) is amended—

19 (A) by striking “Beginning on June 1,  
20 1997, the” and inserting “The”; and

21 (B) by striking “insured banks with dif-  
22 ferent home States” and inserting “an insured  
23 bank and another insured depository institution  
24 or trust company with a different home State  
25 than the resulting insured bank”.



1           (2) NATIONAL BANK TRUST COMPANY MERGER  
2           WITH OTHER TRUST COMPANY.—Subsection (b) of  
3           section 4 of the National Bank Consolidation and  
4           Merger Act (12 U.S.C. 215a-1(b)) is amended to  
5           read as follows:

6           “(b) MERGER OF NATIONAL BANK TRUST COMPANY  
7           WITH ANOTHER TRUST COMPANY.—A national bank that  
8           is a trust company may engage in a consolidation or merg-  
9           er under this Act with any trust company with a different  
10          home State, under the same terms and conditions that  
11          would apply if the trust companies were located within the  
12          same State.”.

13          (e) INTERSTATE FIDUCIARY ACTIVITY.—Section  
14          18(d) of the Federal Deposit Insurance Act (12 U.S.C.  
15          1828(d)) is amended by adding at the end the following  
16          new paragraph:

17                 “(5) INTERSTATE FIDUCIARY ACTIVITY.—

18                 “(A) AUTHORITY OF STATE BANK SUPER-  
19                 VISOR.—The State bank supervisor of a State  
20                 bank may approve an application by the State  
21                 bank, when not in contravention of home State  
22                 or host State law, to act as trustee, executor,  
23                 administrator, registrar of stocks and bonds,  
24                 guardian of estates, assignee, receiver, com-  
25                 mittee of estates of lunatics, or in any other fi-



1           duciary capacity in a host State in which State  
2           banks or other corporations which come into  
3           competition with national banks are permitted  
4           to act under the laws of such host State.

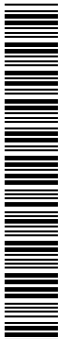
5           “(B) NONCONTRAVENTION OF HOST STATE  
6           LAW.—Whenever the laws of a host State au-  
7           thorize or permit the exercise of any or all of  
8           the foregoing powers by State banks or other  
9           corporations which compete with national  
10          banks, the granting to and the exercise of such  
11          powers by a State bank as provided in this  
12          paragraph shall not be deemed to be in con-  
13          travention of host State law within the meaning  
14          of this paragraph.

15          “(C) STATE BANK INCLUDES TRUST COM-  
16          PANIES.—For purposes of this paragraph, the  
17          term ‘State bank’ includes any State-chartered  
18          trust company (as defined in section 44(g)).

19          “(D) OTHER DEFINITIONS.—For purposes  
20          of this paragraph, the term ‘home State’ and  
21          ‘host State’ have the meanings given such  
22          terms in section 44.”.

23          (f) TECHNICAL AND CONFORMING AMENDMENTS.—

24                (1) Section 44 of the Federal Deposit Insurance  
25          Act (12 U.S.C. 1831u) is amended—



1 (A) in subsection (a)—

2 (i) by striking paragraph (4) and in-  
3 serting the following new paragraph:

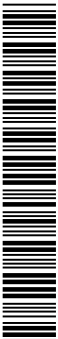
4 “(4) TREATMENT OF BRANCHES IN CONNEC-  
5 TION WITH CERTAIN INTERSTATE MERGER TRANS-  
6 ACTIONS.—In the case of an interstate merger  
7 transaction which involves the acquisition of a  
8 branch of an insured depository institution or trust  
9 company without the acquisition of the insured de-  
10 pository institution or trust company, the branch  
11 shall be treated, for purposes of this section, as an  
12 insured depository institution or trust company the  
13 home State of which is the State in which the  
14 branch is located.”; and

15 (ii) by striking paragraphs (5) and  
16 (6);

17 (B) in subsection (b)—

18 (i) by striking “bank” each place such  
19 term appears in paragraph (2)(B)(i) and  
20 inserting “insured depository institution”;

21 (ii) by striking “banks” where such  
22 term appears in paragraph (2)(E) and in-  
23 serting “insured depository institutions or  
24 trust companies”;



1 (iii) by striking “bank affiliate” each  
2 place such term appears in that portion of  
3 paragraph (3) that precedes subparagraph  
4 (A) and inserting “insured depository insti-  
5 tution affiliate”;

6 (iv) by striking “any bank” where  
7 such term appears in paragraph (3)(B)  
8 and inserting “any insured depository in-  
9 stitution”;

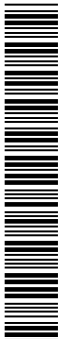
10 (v) by striking “bank” where such  
11 term appears in paragraph (4)(A) and in-  
12 serting “insured depository institution and  
13 trust company”; and

14 (vi) by striking “all banks” where  
15 such term appears in paragraph (5) and  
16 inserting “all insured depository institu-  
17 tions and trust companies”;

18 (C) in subsection (d)(1), by striking “any  
19 bank” and inserting “any insured depository in-  
20 stitution or trust company”;

21 (D) in subsection (e)—

22 (i) by striking “1 or more banks” and  
23 inserting “1 or more insured depository in-  
24 stitutions”; and



1 (ii) by striking “paragraph (2), (4), or  
2 (5)” and inserting “paragraph (2)”;

3 (E) by striking clauses (i) and (ii) of sub-  
4 section (g)(4)(A) and inserting the following  
5 new clauses:

6 “(i) with respect to a national bank or  
7 Federal savings association, the State in  
8 which the main office of the bank or sav-  
9 ings association is located; and

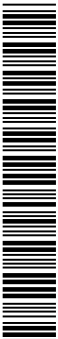
10 “(ii) with respect to a State bank,  
11 State savings association, or State-char-  
12 tered trust company, the State by which  
13 the bank, savings association, or trust  
14 company is chartered; and”;

15 (F) by striking paragraph (5) of subsection  
16 (g) and inserting the following new paragraph:

17 “(5) HOST STATE.—The term ‘host State’  
18 means—

19 “(A) with respect to a bank, a State, other  
20 than the home State of the bank, in which the  
21 bank maintains, or seeks to establish and main-  
22 tain, a branch; and

23 “(B) with respect to a trust company and  
24 solely for purposes of section 18(d)(5), a State,  
25 other than the home State of the trust com-



1           pany, in which the trust company acts, or seeks  
2           to act, in 1 or more fiduciary capacities.”;

3           (G) in subsection (g)(10), by striking “sec-  
4           tion 18(c)(2)” and inserting “paragraph (1) or  
5           (2) of section 18(c), as appropriate,”; and

6           (H) in subsection (g), by adding at the end  
7           the following new paragraph:

8           “(12) TRUST COMPANY.—The term ‘trust com-  
9           pany’ means—

10           “(A) any national bank;

11           “(B) any savings association; and

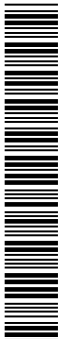
12           “(C) any bank, banking association, trust  
13           company, savings bank, or other banking insti-  
14           tution which is incorporated under the laws of  
15           any State,

16           that is authorized to act in 1 or more fiduciary ca-  
17           pacities but is not engaged in the business of receiv-  
18           ing deposits other than trust funds (as defined in  
19           section 3(p)).”.

20           (2) Section 3(d) of the Bank Holding Company  
21           Act of 1956 (12 U.S.C. 1842(d)) is amended—

22           (A) in paragraph (1)—

23           (i) by striking subparagraphs (B) and  
24           (C); and



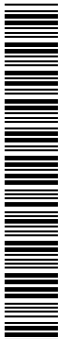
1 (ii) by redesignating subparagraph  
2 (D) as subparagraph (B); and  
3 (B) in paragraph (5), by striking “sub-  
4 paragraph (B) or (D)” and inserting “subpara-  
5 graph (B)”.

6 (3) Subsection (c) of section 4 of the National  
7 Bank Consolidation and Merger Act (12 U.S.C.  
8 215a-1(c)) is amended to read as follows:  
9 “(c) DEFINITIONS.—For purposes of this section, the  
10 terms ‘home State’, ‘out-of-State bank’, and ‘trust com-  
11 pany’ each have the same meaning as in section 44(g) of  
12 the Federal Deposit Insurance Act.”.

13 (g) CLERICAL AMENDMENTS.—

14 (1) The heading for section 44(b)(2)(E) of the  
15 Federal Deposit Insurance Act (12 U.S.C.  
16 1831u(b)(2)(E)) is amended by striking “BANKS”  
17 and inserting “INSURED DEPOSITORY INSTITUTIONS  
18 AND TRUST COMPANIES”.

19 (2) The heading for section 44(e) of the Fed-  
20 eral Deposit Insurance Act (12 U.S.C. 1831u(e)) is  
21 amended by striking “BANKS” and inserting “IN-  
22 SURED DEPOSITORY INSTITUTIONS”.



1 **SEC. 402. STATUTE OF LIMITATIONS FOR JUDICIAL REVIEW**  
2 **OF APPOINTMENT OF A RECEIVER FOR DE-**  
3 **POSITORY INSTITUTIONS.**

4 (a) NATIONAL BANKS.—Section 2 of the National  
5 Bank Receivership Act (12 U.S.C. 191) is amended—

6 (1) by striking “SECTION 2. The Comptroller of  
7 the Currency” and inserting the following:

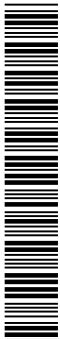
8 **“SEC. 2. APPOINTMENT OF RECEIVER FOR A NATIONAL**  
9 **BANK.**

10 “(a) IN GENERAL.—The Comptroller of the Cur-  
11 rency”; and

12 (2) by adding at the end the following new sub-  
13 section:

14 “(b) JUDICIAL REVIEW.—If the Comptroller of the  
15 Currency appoints a receiver under subsection (a), the na-  
16 tional bank may, within 30 days thereafter, bring an ac-  
17 tion in the United States district court for the judicial dis-  
18 trict in which the home office of such bank is located, or  
19 in the United States District Court for the District of Co-  
20 lumbia, for an order requiring the Comptroller of the Cur-  
21 rency to remove the receiver, and the court shall, upon  
22 the merits, dismiss such action or direct the Comptroller  
23 of the Currency to remove the receiver.”.

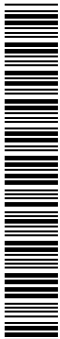
24 (b) INSURED DEPOSITORY INSTITUTIONS.—Section  
25 11(c)(7) of the Federal Deposit Insurance Act (12 U.S.C.  
26 1821(c)(7)) is amended to read as follows:



1           “(7) JUDICIAL REVIEW.—If the Corporation is  
2           appointed (including the appointment of the Cor-  
3           poration as receiver by the Board of Directors) as  
4           conservator or receiver of a depository institution  
5           under paragraph (4), (9), or (10), the depository in-  
6           stitution may, within 30 days thereafter, bring an  
7           action in the United States district court for the ju-  
8           dicial district in which the home office of such de-  
9           pository institution is located, or in the United  
10          States District Court for the District of Columbia,  
11          for an order requiring the Corporation to be re-  
12          moved as the conservator or receiver (regardless of  
13          how such appointment was made), and the court  
14          shall, upon the merits, dismiss such action or direct  
15          the Corporation to be removed as the conservator or  
16          receiver.”.

17          (c) EXPANSION OF PERIOD FOR CHALLENGING THE  
18          APPOINTMENT OF A LIQUIDATING AGENT.—Subpara-  
19          graph (B) of section 207(a)(1) of the Federal Credit  
20          Union Act (12 U.S.C. 1787(a)(1)) is amended by striking  
21          “10 days” and inserting “30 days”.

22          (d) EFFECTIVE DATE.—The amendments made by  
23          subsections (a), (b), and (c) shall apply with respect to  
24          conservators, receivers, or liquidating agents appointed on  
25          or after the date of the enactment of this Act.



1 **SEC. 403. REPORTING REQUIREMENTS RELATING TO IN-**  
2 **SIDER LENDING.**

3 (a) REPORTING REQUIREMENTS REGARDING LOANS  
4 TO EXECUTIVE OFFICERS OF MEMBER BANKS.—Section  
5 22(g) of the Federal Reserve Act (12 U.S.C. 375a) is  
6 amended—

7 (1) by striking paragraphs (6) and (9); and

8 (2) by redesignating paragraphs (7), (8), and  
9 (10) as paragraphs (6), (7), and (8), respectively.

10 (b) REPORTING REQUIREMENTS REGARDING LOANS  
11 FROM CORRESPONDENT BANKS TO EXECUTIVE OFFI-  
12 CERS AND SHAREHOLDERS OF INSURED BANKS.—Section  
13 106(b)(2) of the Bank Holding Company Act Amend-  
14 ments of 1970 (12 U.S.C. 1972(2)) is amended—

15 (1) by striking subparagraph (G); and

16 (2) by redesignating subparagraphs (H) and (I)  
17 as subparagraphs (G) and (H), respectively.

18 **SEC. 404. AMENDMENT TO PROVIDE AN INFLATION AD-**  
19 **JUSTMENT FOR THE SMALL DEPOSITORY IN-**  
20 **STITUTION EXCEPTION UNDER THE DEPOSI-**  
21 **TORY INSTITUTION MANAGEMENT INTER-**  
22 **LOCKS ACT.**

23 Section 203(1) of the Depository Institution Manage-  
24 ment Interlocks Act (12 U.S.C. 3202(1)) is amended by  
25 striking “\$20,000,000” and inserting “\$100,000,000”.



1   **SEC. 405. ENHANCING THE SAFETY AND SOUNDNESS OF IN-**  
2                           **SURED DEPOSITORY INSTITUTIONS.**

3           (a) CLARIFICATION RELATING TO THE ENFORCE-  
4 ABILITY OF AGREEMENTS AND CONDITIONS.—The Fed-  
5 eral Deposit Insurance Act (12 U.S.C. 1811 et seq.) is  
6 amended by adding at the end the following new section:

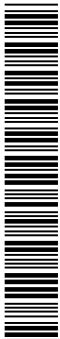
7   **“SEC. 49. ENFORCEMENT OF AGREEMENTS.**

8           “(a) IN GENERAL.—Notwithstanding clause (i) or  
9 (ii) of section 8(b)(6)(A) or section 38(e)(2)(E), an appro-  
10 priate Federal banking agency may enforce, under section  
11 8, the terms of—

12           “(1) any condition imposed in writing by the  
13 agency on a depository institution or an institution-  
14 affiliated party (including a bank holding company)  
15 in connection with any action on any application, no-  
16 tice, or other request concerning a depository insti-  
17 tution; or

18           “(2) any written agreement entered into be-  
19 tween the agency and an institution-affiliated party  
20 (including a bank holding company).

21           “(b) RECEIVERSHIPS AND CONSERVATORSHIPS.—  
22 After the appointment of the Corporation as the receiver  
23 or conservator for any insured depository institution, the  
24 Corporation may enforce any condition or agreement de-  
25 scribed in paragraph (1) or (2) of subsection (a) involving  
26 such institution or any institution-affiliated party (includ-



1 ing a bank holding company), through an action brought  
2 in an appropriate United States district court.”.

3 (b) PROTECTION OF CAPITAL OF INSURED DEPOSI-  
4 TORY INSTITUTIONS.—Paragraph (1) of section 18(u) of  
5 the Federal Deposit Insurance Act (12 U.S.C. 1828(u))  
6 is amended by striking subparagraph (B) and by redesignig-  
7 nating subparagraph (C) as subparagraph (B).

8 **SEC. 406. INVESTMENTS BY INSURED SAVINGS ASSOCIA-**  
9 **TIONS IN BANK SERVICE COMPANIES AU-**  
10 **THORIZED.**

11 (a) IN GENERAL.—Sections 2 and 3 of the Bank  
12 Service Company Act (12 U.S.C. 1862, 1863) are each  
13 amended by striking “insured bank” each place such term  
14 appears and inserting “insured depository institution”.

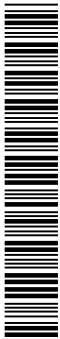
15 (b) TECHNICAL AND CONFORMING AMENDMENTS.—

16 (1) Section 1(b)(4) of the Bank Service Com-  
17 pany Act (12 U.S.C. 1861(b)(4)) is amended—

18 (A) by inserting “, except when such term  
19 appears in connection with the term ‘insured  
20 depository institution’,” after “means”; and

21 (B) by striking “Federal Home Loan Bank  
22 Board” and inserting “Director of the Office of  
23 Thrift Supervision”.

24 (2) Section 1(b) of the Bank Service Company  
25 Act (12 U.S.C. 1861(b)) is amended—



1 (A) by striking paragraph (5) and insert-  
2 ing the following new paragraph:

3 “(5) INSURED DEPOSITORY INSTITUTION.—The  
4 term ‘insured depository institution’ has the mean-  
5 ing given the term in section 3(c) of the Federal De-  
6 posit Insurance Act;”;

7 (B) by striking “and” at the end of para-  
8 graph (7);

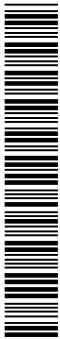
9 (C) by striking the period at the end of  
10 paragraph (8) and inserting “; and”; and

11 (D) by adding at the end the following new  
12 paragraph:

13 “(9) the terms ‘State depository institution’,  
14 ‘Federal depository institution’, ‘State savings asso-  
15 ciation’ and ‘Federal savings association’ have the  
16 meanings given the terms in section 3 of the Federal  
17 Deposit Insurance Act.”.

18 (3) The 1st sentence of section 5(c)(4)(B) of  
19 the Home Owners’ Loan Act (12 U.S.C.  
20 1464(c)(4)(B)) is amended by striking “by savings  
21 associations of such State and by Federal associa-  
22 tions” and inserting “by State and Federal depository  
23 institutions”.

24 (4) Subparagraph (A)(ii) and subparagraph  
25 (B)(ii) of section 1(b)(2) of the Bank Service Com-



1       pany Act (12 U.S.C. 1861(b)(2)) are each amended  
2       by striking “insured banks” and inserting “insured  
3       depository institutions”.

4               (5) Section 1(b)(8) of the Bank Service Com-  
5       pany Act (12 U.S.C. 1861(b)(8)) is further  
6       amended—

7                       (A) by striking “insured bank” and insert-  
8                       ing “insured depository institution”

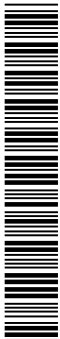
9                       (B) by striking “insured banks” each place  
10       such term appears and inserting “insured de-  
11       pository institutions”; and

12                      (C) by striking “the bank’s” and inserting  
13       “the depository institution’s”.

14               (6) Section 2 of the Bank Service Company Act  
15       (12 U.S.C. 1862) is amended by inserting “or sav-  
16       ings associations, other than the limitation on the  
17       amount of investment by a Federal savings associa-  
18       tion contained in section 5(c)(4)(B) of the Home  
19       Owners’ Loan Act” after “relating to banks”.

20               (7) Section 4(c) of the Bank Service Company  
21       Act (12 U.S.C. 1864(c)) is amended by inserting “or  
22       State savings association” after “State bank” each  
23       place such term appears.

24               (8) Section 4(d) of the Bank Service Company  
25       Act (12 U.S.C. 1864(d)) is amended by inserting



1 “or Federal savings association” after “national  
2 bank” each place such term appears.

3 (9) Section 4(e) of the Bank Service Company  
4 Act (12 U.S.C. 1864(e)) is amended to read as fol-  
5 lows:

6 “(e) A bank service company may perform—

7 “(1) only those services that each depository in-  
8 stitution shareholder or member is otherwise author-  
9 ized to perform under any applicable Federal or  
10 State law; and

11 “(2) such services only at locations in a State  
12 in which each such shareholder or member is author-  
13 ized to perform such services.”.

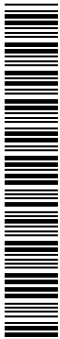
14 (10) Section 4(f) of the Bank Service Company  
15 Act (12 U.S.C. 1864(f)) is amended by inserting “or  
16 savings associations” after “location of banks”.

17 (11) Section 5 of the Bank Service Company  
18 Act (12 U.S.C. 1865) is amended—

19 (A) in subsection (a)—

20 (i) by striking “insured bank” and in-  
21 serting “insured depository institution”;  
22 and

23 (ii) by striking “bank’s” and inserting  
24 “institution’s”.



1 (B) in subsection (b), by striking “insured  
2 bank” and inserting “insured depository insti-  
3 tution”; and

4 (C) in subsection (c)—

5 (i) by striking “the bank or banks”  
6 and inserting “any depository institution”;  
7 and

8 (ii) by striking “capability of the  
9 bank” and inserting “capability of the de-  
10 pository institution”.

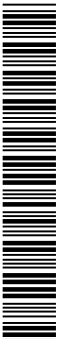
11 (12) Section 7 of the Bank Service Company  
12 Act (12 U.S.C. 1867) is amended—

13 (A) in subsection (b), by striking “insured  
14 bank” and inserting “insured depository insti-  
15 tution”;

16 (B) in subsection (c)—

17 (i) by striking “a bank” each place  
18 such term appears and inserting “a depository  
19 institution”; and

20 (ii) by striking “the bank” each place  
21 such term appears and inserting “the de-  
22 pository institution”.



1 **SEC. 407. CROSS GUARANTEE AUTHORITY.**

2 Subparagraph (A) of section 5(e)(9) of the Federal  
3 Deposit Insurance Act (12 U.S.C. 1815(e)(9)(A)) is  
4 amended to read as follows:

5 “(A) such institutions are controlled by the  
6 same company; or”.

7 **SEC. 408. GOLDEN PARACHUTE AUTHORITY AND NONBANK**  
8 **HOLDING COMPANIES.**

9 Subsection (k) of section 18 of the Federal Deposit  
10 Insurance Act (12 U.S.C. 1828(k)) is amended—

11 (1) in paragraph (2)(A), by striking “or deposi-  
12 tory institution holding company” and inserting “or  
13 covered company”;

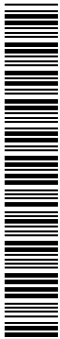
14 (2) by striking subparagraph (B) of paragraph  
15 (2) and inserting the following new subparagraph:

16 “(B) Whether there is a reasonable basis  
17 to believe that the institution-affiliated party is  
18 substantially responsible for—

19 “(i) the insolvency of the depository  
20 institution or covered company;

21 “(ii) the appointment of a conservator  
22 or receiver for the depository institution; or

23 “(iii) the depository institution’s trou-  
24 bled condition (as defined in the regula-  
25 tions prescribed pursuant to section  
26 32(f)).”;



1 (3) in paragraph (2)(F), by striking “depository  
2 institution holding company” and inserting “covered  
3 company,”;

4 (4) in paragraph (3) in the matter preceding  
5 subparagraph (A), by striking “depository institu-  
6 tion holding company” and inserting “covered com-  
7 pany”;

8 (5) in paragraph (3)(A), by striking “holding  
9 company” and inserting “covered company”;

10 (6) in paragraph (4)(A)—

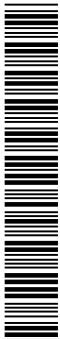
11 (A) by striking “depository institution  
12 holding company” each place such term appears  
13 and inserting “covered company”; and

14 (B) by striking “holding company” each  
15 place such term appears (other than in connec-  
16 tion with the term referred to in subparagraph  
17 (A)) and inserting “covered company”;

18 (7) in paragraph (5)(A), by striking “depository  
19 institution holding company” and inserting “covered  
20 company”;

21 (8) in paragraph (5), by adding at the end the  
22 following new subparagraph:

23 “(D) COVERED COMPANY.—The term ‘cov-  
24 ered company’ means any depository institution  
25 holding company (including any company re-



1           quired to file a report under section 4(f)(6) of  
2           the Bank Holding Company Act of 1956), or  
3           any other company that controls an insured de-  
4           pository institution.”; and  
5           (9) in paragraph (6)—

6                 (A) by striking “depository institution  
7           holding company” and inserting “covered com-  
8           pany,”; and

9                 (B) by striking “or holding company” and  
10          inserting “or covered company”.

11   **SEC. 409. AMENDMENTS RELATING TO CHANGE IN BANK**  
12                           **CONTROL.**

13          Section 7(j) of the Federal Deposit Insurance Act (12  
14   U.S.C. 1817(j)) is amended—

15                 (1) in paragraph (1)(D)—

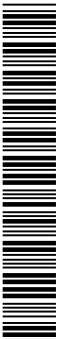
16                         (A) by striking “is needed to investigate”  
17           and inserting “is needed—

18                                 “(i) to investigate”;

19                         (B) by striking “United States Code.” and  
20           inserting “United States Code; or”; and

21                         (C) by adding at the end the following new  
22           clause:

23                                 “(ii) to analyze the safety and sound-  
24           ness of any plans or proposals described in



1 paragraph (6)(E) or the future prospects  
2 of the institution.”; and

3 (2) in paragraph (7)(C), by striking “the finan-  
4 cial condition of any acquiring person” and inserting  
5 “either the financial condition of any acquiring per-  
6 son or the future prospects of the institution”.

7 **TITLE V—DEPOSITORY INSTITU-**  
8 **TION AFFILIATES PROVI-**  
9 **SIONS**

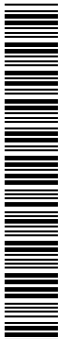
10 **SEC. 501. CLARIFICATION OF CROSS MARKETING PROVI-**  
11 **SION.**

12 Section 4(n)(5) of the Bank Holding Company Act  
13 of 1956 (12 U.S.C. 1843(n)(5)) is amended—

14 (1) in subparagraph (B), by striking “sub-  
15 section (k)(4)(I)” and inserting “subparagraph (H)  
16 or (I) of subsection (k)(4)”;

17 (2) by adding at the end the following new sub-  
18 paragraph:

19 “(C) THRESHOLD OF CONTROL.—Subpara-  
20 graph (A) shall not apply with respect to a  
21 company described or referred to in clause (i)  
22 or (ii) of such subparagraph if the financial  
23 holding company does not own or control 25  
24 percent or more of the total equity or any class  
25 of voting securities of such company.”.



1 **SEC. 502. AMENDMENT TO PROVIDE THE FEDERAL RE-**  
2 **SERVE BOARD WITH DISCRETION CON-**  
3 **CERNING THE IMPUTATION OF CONTROL OF**  
4 **SHARES OF A COMPANY BY TRUSTEES.**

5 Section 2(g)(2) of the Bank Holding Company Act  
6 of 1956 (12 U.S.C. 1841(g)(2)) is amended by inserting  
7 “, unless the Board determines that such treatment is not  
8 appropriate in light of the facts and circumstances of the  
9 case and the purposes of this Act” before the period at  
10 the end.

11 **SEC. 503. ELIMINATING GEOGRAPHIC LIMITS ON THRIFT**  
12 **SERVICE COMPANIES.**

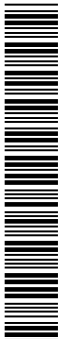
13 (a) IN GENERAL.—The 1st sentence of section  
14 5(c)(4)(B) of the Home Owners' Loan Act (12 U.S.C.  
15 1464(c)(4)(B)) (as amended by section 406(b)(3) of this  
16 Act) is amended—

17 (1) by striking “corporation organized” and all  
18 that follows through “is available for purchase” and  
19 inserting “company, if the entire capital of the com-  
20 pany is available for purchase”; and

21 (2) by striking “having their home offices in  
22 such State”.

23 (b) TECHNICAL CORRECTIONS.—

24 (1) The heading for subparagraph (B) of sec-  
25 tion 5(c)(4) of the Home Owners' Loan Act (12



1 U.S.C. 1464(c)(4)(B)) is amended by striking “COR-  
2 PORATIONS” and inserting “COMPANIES”.

3 (2) The 2nd sentence of section 5(n)(1) of the  
4 Home Owners’ Loan Act (12 U.S.C. 1464(n)(1)) is  
5 amended by striking “service corporations” and in-  
6 serting “service companies”.

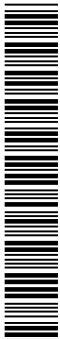
7 (3) Section 5(q)(1) of the Home Owners’ Loan  
8 Act (12 U.S.C. 1464(q)(1)) is amended by striking  
9 “service corporation” each place such term appears  
10 in subparagraphs (A), (B), and (C) and inserting  
11 “service company”.

12 (4) Section 10(m)(4)(C)(iii)(II) of the Home  
13 Owners’ Loan Act (12 U.S.C.  
14 1467a(m)(4)(C)(iii)(II)) is amended by striking  
15 “service corporation” each place such term appears  
16 and inserting “service company”.

17 **SEC. 504. CLARIFICATION OF SCOPE OF APPLICABLE RATE**  
18 **PROVISION.**

19 Section 44(f) of the Federal Deposit Insurance Act  
20 (12 U.S.C. 1831u(f)) is amended by adding at the end  
21 the following new paragraphs:

22 “(3) OTHER LENDERS.—In the case of any  
23 other lender doing business in the State described in  
24 paragraph (1), the maximum interest rate or  
25 amount of interest, discount points, finance charges,



1 or other similar charges that may be charged, taken,  
2 received, or reserved from time to time in any loan,  
3 discount, or credit sale made, or upon any note, bill  
4 of exchange, financing transaction, or other evidence  
5 of debt issued to or acquired by any other lender  
6 shall be equal to not more than the greater of the  
7 rates described in subparagraph (A) or (B) of para-  
8 graph (1).

9 “(4) OTHER LENDER DEFINED.—For purposes  
10 of paragraph (3), the term ‘other lender’ means any  
11 person engaged in the business of selling or financ-  
12 ing the sale of personal property (and any services  
13 incidental to the sale of personal property) in such  
14 State, except that, with regard to any person or en-  
15 tity described in such paragraph, such term does not  
16 include—

17 “(A) an insured depository institution; or

18 “(B) any person or entity engaged in the  
19 business of providing a short-term cash advance  
20 to any consumer in exchange for—

21 “(i) a consumer’s personal check or  
22 share draft, in the amount of the advance  
23 plus a fee, where presentment or negotia-  
24 tion of such check or share draft is de-



1                   ferred by agreement of the parties until a  
2                   designated future date; or  
3                   “(ii) a consumer authorization to  
4                   debit the consumer’s transaction account,  
5                   in the amount of the advance plus a fee,  
6                   where such account will be debited on or  
7                   after a designated future date.”.

8                   **TITLE VI—BANKING AGENCY**  
9                   **PROVISIONS**

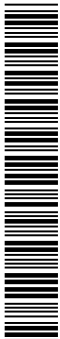
10   **SEC. 601. WAIVER OF EXAMINATION SCHEDULE IN ORDER**  
11                   **TO ALLOCATE EXAMINER RESOURCES.**

12           Section 10(d) of the Federal Deposit Insurance Act  
13   (12 U.S.C. 1820(d)) is amended—

14                   (1) by redesignating paragraphs (5), (6), (7),  
15                   (8), (9), and (10) as paragraphs (6), (7), (8), (9),  
16                   (10), and (11), respectively;

17                   (2) by inserting after paragraph (4), the fol-  
18                   lowing new paragraph:

19                   “(5) WAIVER OF SCHEDULE WHEN NECESSARY  
20                   TO ACHIEVE SAFE AND SOUND ALLOCATION OF EX-  
21                   AMINER RESOURCES.—Notwithstanding paragraphs  
22                   (1), (2), (3), and (4), an appropriate Federal bank-  
23                   ing agency may make adjustments in the examina-  
24                   tion cycle for an insured depository institution if  
25                   necessary to allocate available resources of exam-



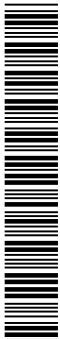
1 iners in a manner that provides for the safety and  
2 soundness of, and the effective examination and su-  
3 pervision of, insured depository institutions.”; and

4 (3) in paragraphs (8) and (9), as so redesign-  
5 nated, by striking “paragraph (6)” and inserting  
6 “paragraph (7)”.

7 **SEC. 602. INTERAGENCY DATA SHARING.**

8 (a) FEDERAL BANKING AGENCIES.—Section 7(a)(2)  
9 of the Federal Deposit Insurance Act (12 U.S.C.  
10 1817(a)(2)) is amended by adding at the end the following  
11 new subparagraph:

12 “(C) DATA SHARING WITH OTHER AGEN-  
13 CIES AND PERSONS.—In addition to reports of  
14 examination, reports of condition, and other re-  
15 ports required to be regularly provided to the  
16 Corporation (with respect to all insured deposi-  
17 tory institutions, including a depository institu-  
18 tion for which the Corporation has been ap-  
19 pointed conservator or receiver) or an appro-  
20 priate State bank supervisor (with respect to a  
21 State depository institution) under subpara-  
22 graph (A) or (B), a Federal banking agency  
23 may, in the agency’s discretion, furnish any re-  
24 port of examination or other confidential super-  
25 visory information concerning any depository



1 institution or other entity examined by such  
2 agency under authority of any Federal law,  
3 to—

4 “(i) any other Federal or State agen-  
5 cy or authority with supervisory or regu-  
6 latory authority over the depository institu-  
7 tion or other entity;

8 “(ii) any officer, director, or receiver  
9 of such depository institution or entity;  
10 and

11 “(iii) any other person the Federal  
12 banking agency determines to be appro-  
13 priate.”.

14 (b) NATIONAL CREDIT UNION ADMINISTRATION.—  
15 Section 202(a) of the Federal Credit Union Act (12  
16 U.S.C. 1782(a)) is amended by adding at the end the fol-  
17 lowing new paragraph:

18 “(8) DATA SHARING WITH OTHER AGENCIES  
19 AND PERSONS.—In addition to reports of examina-  
20 tion, reports of condition, and other reports required  
21 to be regularly provided to the Board (with respect  
22 to all insured credit unions, including a credit union  
23 for which the Corporation has been appointed con-  
24 servator or liquidating agent) or an appropriate  
25 State commission, board, or authority having super-



1 vision of a State-chartered credit union, the Board  
2 may, in the Board's discretion, furnish any report  
3 of examination or other confidential supervisory in-  
4 formation concerning any credit union or other enti-  
5 ty examined by the Board under authority of any  
6 Federal law, to—

7 “(A) any other Federal or State agency or  
8 authority with supervisory or regulatory author-  
9 ity over the credit union or other entity;

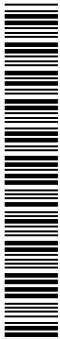
10 “(B) any officer, director, or receiver of  
11 such credit union or entity; and

12 “(C) any other institution-affiliated party  
13 of such credit union or entity the Board deter-  
14 mines to be appropriate.”.

15 **SEC. 603. PENALTY FOR UNAUTHORIZED PARTICIPATION**  
16 **BY CONVICTED INDIVIDUAL.**

17 Section 19 of the Federal Deposit Insurance Act (12  
18 U.S.C. 1829) is amended by adding at the end the fol-  
19 lowing new subsection:

20 “(c) NONINSURED BANKS.—Subsections (a) and (b)  
21 shall apply to a noninsured national bank and a non-  
22 insured State member bank, and any agency or non-  
23 insured branch (as such terms are defined in section 1(b)  
24 of the International Banking Act of 1978) of a foreign  
25 bank as if such bank, branch, or agency were an insured



1 depository institution, except such subsections shall be ap-  
2 plied for purposes of this subsection by substituting the  
3 agency determined under the following paragraphs for  
4 'Corporation' each place such term appears in such sub-  
5 sections:

6           “(1) The Comptroller of the Currency, in the  
7           case of a noninsured national bank or any Federal  
8           agency or noninsured Federal branch of a foreign  
9           bank.

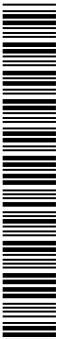
10           “(2) The Board of Governors of the Federal  
11           Reserve System, in the case of a noninsured State  
12           member bank or any State agency or noninsured  
13           State branch of a foreign bank.”.

14 **SEC. 604. AMENDMENT PERMITTING THE DESTRUCTION OF**  
15 **OLD RECORDS OF A DEPOSITORY INSTITU-**  
16 **TION BY THE FDIC AFTER THE APPOINTMENT**  
17 **OF THE FDIC AS RECEIVER.**

18           Section 11(d)(15)(D) of the Federal Deposit Insur-  
19           ance Act (12 U.S.C. 1821(d)(15)(D)) is amended—

20           (1) by striking “RECORDKEEPING REQUIRE-  
21           MENT.—After the end of the 6-year period” and in-  
22           serting “RECORDKEEPING REQUIREMENT.—

23                   “(i) IN GENERAL.—Except as pro-  
24                   vided in clause (ii), after the end of the 6-  
25                   year period”; and



1           (2) by adding at the end the following new  
2       clause:

3                   “(ii) OLD RECORDS.—In the case of  
4                   records of an insured depository institution  
5                   which are at least 10 years old as of the  
6                   date the Corporation is appointed as the  
7                   receiver of such depository institution, the  
8                   Corporation may destroy such records in  
9                   accordance with clause (i) any time after  
10                  such appointment is final without regard  
11                  to the 6-year period of limitation contained  
12                  in such clause.”.

13   **SEC. 605. MODERNIZATION OF RECORDKEEPING REQUIRE-**  
14                   **MENT.**

15       Subsection (f) of section 10 of the Federal Deposit  
16   Insurance Act (12 U.S.C. 1820(f)) is amended to read as  
17   follows:

18       “(f) PRESERVATION OF AGENCY RECORDS.—

19               “(1) IN GENERAL.—A Federal banking agency  
20       may cause any and all records, papers, or documents  
21       kept by the agency or in the possession or custody  
22       of the agency to be—

23                   “(A) photographed or microphotographed  
24       or otherwise reproduced upon film; or



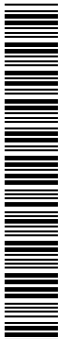
1                   “(B) preserved in any electronic medium  
2                   or format which is capable of—

3                   “(i) being read or scanned by com-  
4                   puter; and

5                   “(ii) being reproduced from such elec-  
6                   tronic medium or format by printing or  
7                   any other form of reproduction of elec-  
8                   tronically stored data.

9                   “(2) TREATMENT AS ORIGINAL RECORDS.—Any  
10                  photographs, microphotographs, or photographic  
11                  film or copies thereof described in paragraph (1)(A)  
12                  or reproduction of electronically stored data de-  
13                  scribed in paragraph (1)(B) shall be deemed to be  
14                  an original record for all purposes, including intro-  
15                  duction in evidence in all State and Federal courts  
16                  or administrative agencies and shall be admissible to  
17                  prove any act, transaction, occurrence, or event  
18                  therein recorded.

19                  “(3) AUTHORITY OF THE FEDERAL BANKING  
20                  AGENCIES.—Any photographs, microphotographs, or  
21                  photographic film or copies thereof described in  
22                  paragraph (1)(A) or reproduction of electronically  
23                  stored data described in paragraph (1)(B) shall be  
24                  preserved in such manner as the Federal banking  
25                  agency shall prescribe and the original records, pa-



1       pers, or documents may be destroyed or otherwise  
2       disposed of as the Federal banking agency may di-  
3       rect.”.

4   **SEC. 606. CLARIFICATION OF EXTENT OF SUSPENSION, RE-**  
5                   **MOVAL, AND PROHIBITION AUTHORITY OF**  
6                   **FEDERAL BANKING AGENCIES IN CASES OF**  
7                   **CERTAIN CRIMES BY INSTITUTION-AFFILI-**  
8                   **ATED PARTIES.**

9       (a) INSURED DEPOSITORY INSTITUTION.—

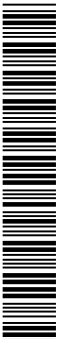
10           (1) IN GENERAL.—Section 8(g)(1) of the Fed-  
11       eral Deposit Insurance Act (12 U.S.C. 1818(g) is  
12       amended—

13           (A) in subparagraph (A), by striking “the  
14       depository” each place such term appears and  
15       inserting “any depository”;

16           (B) in subparagraph (B)(i), by inserting  
17       “of which the subject of the order is an institu-  
18       tion-affiliated party” before the period at the  
19       end;

20           (C) in subparagraph (C), by striking “the  
21       depository” each place such term appears and  
22       inserting “any depository”;

23           (D) in subparagraph (D)(i), by inserting  
24       “of which the subject of the order is an institu-



1           tion-affiliated party” after “upon the depository  
2           institution”; and

3           (E) by adding at the end the following new  
4           subparagraph:

5           “(E) CONTINUATION OF AUTHORITY.—A  
6           Federal banking agency may issue an order  
7           under this paragraph with respect to an indi-  
8           vidual who is an institution-affiliated party at a  
9           depository institution at the time of an offense  
10          described in subparagraph (A) without regard  
11          to—

12               “(i) whether such individual is an in-  
13               stitution-affiliated party at any depository  
14               institution at the time the order is consid-  
15               ered or issued by the agency; or

16               “(ii) whether the depository institu-  
17               tion at which the individual was an institu-  
18               tion-affiliated party at the time of the of-  
19               fense remains in existence at the time the  
20               order is considered or issued by the agen-  
21               cy.”.

22          (2) CLERICAL AMENDMENT.—Section 8(g) of  
23          the Federal Deposit Insurance Act (12 U.S.C.  
24          1818(g) is amended by striking “(g)” and inserting  
25          the following new subsection heading:



1       “(g) SUSPENSION, REMOVAL, AND PROHIBITION  
2 FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN  
3 CRIMINAL OFFENSES.—”.

4       (b) INSURED CREDIT UNIONS.—

5           (1) IN GENERAL.—Section 206(i)(1) of the  
6 Federal Credit Union Act (12 U.S.C. 1786(i)(1)) is  
7 amended—

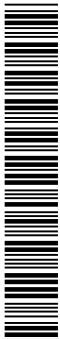
8           (A) in subparagraph (A), by striking “the  
9 credit union” each place such term appears and  
10 inserting “any credit union”;

11           (B) in subparagraph (B)(i), by inserting  
12 “of which the subject of the order is, or most  
13 recently was, an institution-affiliated party” be-  
14 fore the period at the end;

15           (C) in subparagraph (C), by striking “the  
16 credit union” each place such term appears and  
17 inserting “any credit union”;

18           (D) in subparagraph (D)(i), by striking  
19 “upon such credit union” and inserting “upon  
20 the credit union of which the subject of the  
21 order is, or most recently was, an institution-af-  
22 filiated party”; and

23           (E) by adding at the end the following new  
24 subparagraph:



1           “(E) CONTINUATION OF AUTHORITY.—The  
2           Board may issue an order under this paragraph  
3           with respect to an individual who is an institu-  
4           tion-affiliated party at a credit union at the  
5           time of an offense described in subparagraph  
6           (A) without regard to—

7                   “(i) whether such individual is an in-  
8                   stitution-affiliated party at any credit  
9                   union at the time the order is considered  
10                  or issued by the Board; or

11                  “(ii) whether the credit union at  
12                  which the individual was an institution-af-  
13                  filiated party at the time of the offense re-  
14                  mains in existence at the time the order is  
15                  considered or issued by the Board.”.

16           (2) CLERICAL AMENDMENT.—Section 206(i) of  
17           the Federal Credit Union Act (12 U.S.C. 1786(i)) is  
18           amended by striking “(i)” at the beginning and in-  
19           serting the following new subsection heading:

20           “(i) SUSPENSION, REMOVAL, AND PROHIBITION  
21           FROM PARTICIPATION ORDERS IN THE CASE OF CERTAIN  
22           CRIMINAL OFFENSES.—”.



1   **SEC. 607. STREAMLINING DEPOSITORY INSTITUTION MERG-**  
2                   **ER APPLICATION REQUIREMENTS.**

3           (a) IN GENERAL.—Paragraph (4) of section 18(c) of  
4 the Federal Deposit Insurance Act (12 U.S.C. 1828(c))  
5 is amended to read as follows:

6                   “(4) REPORTS ON COMPETITIVE FACTORS.—

7                           “(A) REQUEST FOR REPORT.—In the in-  
8 terests of uniform standards, before acting on  
9 any application for approval of a merger trans-  
10 action, the responsible agency, unless the agen-  
11 cy finds that it must act immediately in order  
12 to prevent the probable failure of a depository  
13 institution involved, shall—

14                                   “(i) request a report on the competi-  
15 tive factors involved from the Attorney  
16 General; and

17                                   “(ii) provide a copy of the request to  
18 the Corporation (when the Corporation is  
19 not the responsible agency).

20                   “(B) FURNISHING OF REPORT.—The re-  
21 port requested under subparagraph (A) shall be  
22 furnished by the Attorney General to the re-  
23 sponsible agency—

24                                   “(i) not more than 30 calendar days  
25 after the date on which the Attorney Gen-  
26 eral received the request; or



1                   “(ii) not more than 10 calendar days  
2                   after such date, if the requesting agency  
3                   advises the Attorney General that an emer-  
4                   gency exists requiring expeditious action.”.

5           (b) TECHNICAL AND CONFORMING AMENDMENT.—  
6   The penultimate sentence of section 18(c)(6) of the Fed-  
7   eral Deposit Insurance Act (12 U.S.C. 1828(c)(6)) is  
8   amended to read as follows: “If the agency has advised  
9   the Attorney General under paragraph (4)(B) of the exist-  
10   ence of an emergency requiring expeditious action and has  
11   requested a report on the competitive factors within 10  
12   days, the transaction may not be consummated before the  
13   fifth calendar day after the date of approval by the agen-  
14   cy.”.

15   **SEC. 608. INCLUSION OF DIRECTOR OF THE OFFICE OF**  
16                   **THRIFT SUPERVISION IN LIST OF BANKING**  
17                   **AGENCIES REGARDING INSURANCE CUS-**  
18                   **TOMER PROTECTION REGULATIONS.**

19           Section 47(g)(2)(B)(i) of the Federal Deposit Insur-  
20   ance Act (12 U.S.C. 1831x(g)(2)(B)(i)) is amended by in-  
21   serting “the Director of the Office of Thrift Supervision,”  
22   after “Comptroller of the Currency,”.



1 **SEC. 609. SHORTENING OF POST-APPROVAL ANTITRUST RE-**  
2 **VIEW PERIOD WITH THE AGREEMENT OF THE**  
3 **ATTORNEY GENERAL.**

4 (a) ANTITRUST REVIEWS UNDER THE BANK HOLD-  
5 ING COMPANY ACT OF 1956.—The 4th sentence of section  
6 11(b) of the Bank Holding Company Act of 1956 (12  
7 U.S.C. 1849(b) is amended by striking “15 calendar  
8 days” and inserting “5 calendar days”.

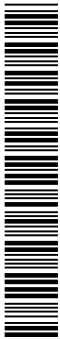
9 (b) ANTITRUST REVIEWS UNDER THE FEDERAL DE-  
10 POSIT INSURANCE ACT.—The last sentence of section  
11 18(c)(6) of the Federal Deposit Insurance Act (12 U.S.C.  
12 1828(c)(6)) is amended by striking “15 calendar days”  
13 and inserting “5 calendar days”.

14 **SEC. 610. PROTECTION OF CONFIDENTIAL INFORMATION**  
15 **RECEIVED BY FEDERAL BANKING REGU-**  
16 **LATORS FROM FOREIGN BANKING SUPER-**  
17 **VISORS.**

18 Section 15 of the International Banking Act of 1978  
19 (12 U.S.C. 3109) is amended by adding at the end the  
20 following new subsection:

21 “(c) CONFIDENTIAL INFORMATION RECEIVED FROM  
22 FOREIGN SUPERVISORS.—

23 “(1) IN GENERAL.—Except as provided in  
24 paragraph (3), a Federal banking agency may not be  
25 compelled to disclose information received from a  
26 foreign regulatory or supervisory authority if—



1           “(A) the foreign regulatory or supervisory  
2 authority has, in good faith, determined and  
3 represented to such Federal banking agency  
4 that public disclosure of the information would  
5 violate the laws applicable to that foreign regu-  
6 latory or supervisory authority; and

7           “(B) the relevant Federal banking agency  
8 obtained such information pursuant to—

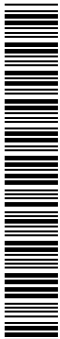
9               “(i) such procedures as the Federal  
10 banking agency may establish for use in  
11 connection with the administration and en-  
12 forcement of Federal banking laws; or

13               “(ii) a memorandum of understanding  
14 or other similar arrangement between the  
15 Federal banking agency and the foreign  
16 regulatory or supervisory authority.

17           “(2) TREATMENT UNDER TITLE 5, UNITED  
18 STATES CODE.—For purposes of section 552 of title  
19 5, United States Code, this subsection shall be treat-  
20 ed as a statute described in subsection (b)(3)(B) of  
21 such section.

22           “(3) SAVINGS PROVISION.—No provision of this  
23 section shall be construed as—

24               “(A) authorizing any Federal banking  
25 agency to withhold any information from any



1           duly authorized committee of the House of Rep-  
2           resentatives or the Senate; or

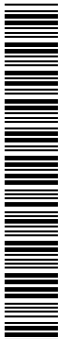
3           “(B) preventing any Federal banking  
4           agency from complying with an order of a court  
5           of the United States in an action commenced by  
6           the United States or such agency.

7           “(4) FEDERAL BANKING AGENCY DEFINED.—  
8           For purposes of this subsection, the term ‘Federal  
9           banking agency’ means the Board, the Comptroller,  
10          the Federal Deposit Insurance Corporation, and the  
11          Director of the Office of Thrift Supervision.”.

12   **SEC. 611. PROHIBITION ON PARTICIPATION BY CONVICTED**  
13                   **INDIVIDUAL.**

14          Section 19 of the Federal Deposit Insurance Act (12  
15   U.S.C. 1829) is amended by inserting after subsection (c)  
16   (as added by section 603 of this title) the following new  
17   subsections:

18          “(d) BANK HOLDING COMPANIES.—Subsections (a)  
19   and (b) shall apply to any bank holding company, any sub-  
20   sidiary (other than a bank) of a bank holding company,  
21   and any organization organized and operated under sec-  
22   tion 25A of the Federal Reserve Act or operating under  
23   section 25 of the Federal Reserve Act as if such bank  
24   holding company, subsidiary, or organization were an in-  
25   sured depository institution, except such subsections shall



1 be applied for purposes of this subsection by substituting  
2 “Board of Governors of the Federal Reserve System” for  
3 “Corporation” each place such term appears in such sub-  
4 sections.

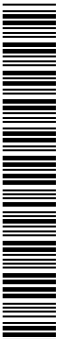
5 “(e) SAVINGS AND LOAN HOLDING COMPANIES.—  
6 Subsections (a) and (b) shall apply to any savings and  
7 loan holding company and any subsidiary (other than a  
8 savings association) of a savings and loan holding com-  
9 pany as if such savings and loan holding company or sub-  
10 sidiary were an insured depository institution, except such  
11 subsections shall be applied for purposes of this subsection  
12 by substituting “Director of the Office of Thrift Super-  
13 vision” for “Corporation” each place such term appears  
14 in such subsections.”.

15 **SEC. 612. CLARIFICATION THAT NOTICE AFTER SEPARA-**  
16 **TION FROM SERVICE MAY BE MADE BY AN**  
17 **ORDER.**

18 Section 8(i)(3) of the Federal Deposit Insurance Act  
19 (12 U.S.C. 1818(i)(3)) is amended by inserting “or order”  
20 after “notice” each place such term appears.

21 **SEC. 613. EXAMINERS OF FINANCIAL INSTITUTIONS.**

22 (a) OFFER OF CREDIT TO BANK EXAMINER.—Sec-  
23 tion 212 of title 18, United States Code, is amended to  
24 read as follows:



1   **“§ 212. Offer of credit to bank examiner**

2           “(a) Subject to section 213(b), whoever being an offi-  
3 cer, director or employee of a financial institution extends  
4 credit to any examiner which the examiner is prohibited  
5 from accepting under section 213 shall be fined under this  
6 title or imprisoned not more than one year, or both; and  
7 may be fined a further sum equal to the amount of the  
8 credit extended.

9           “(b) For purposes of this section, the following defini-  
10 tions shall apply:

11           “(1) The term ‘financial institution’ does not  
12 include a credit union, a Federal reserve bank, a  
13 Federal home loan bank, or a depository institution  
14 holding company.

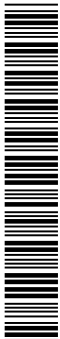
15           “(2) The term ‘examiner’ means any person—

16           “(A) appointed by a Federal financial in-  
17 stitution regulatory agency or pursuant to the  
18 laws of any State to examine a financial institu-  
19 tion; or

20           “(B) elected under the law of any State to  
21 conduct examinations of any financial institu-  
22 tion.

23           “(3) The term ‘Federal financial institution  
24 regulatory agency’ means—

25           “(A) the Comptroller of the Currency;



1                   “(B) the Board of Governors of the Fed-  
2                   eral Reserve System;

3                   “(C) the Director of the Office of Thrift  
4                   Supervision;

5                   “(D) the Federal Deposit Insurance Cor-  
6                   poration;

7                   “(E) the Federal Housing Finance Board;

8                   “(F) the Farm Credit Administration;

9                   “(G) the Farm Credit System Insurance  
10                  Corporation; and

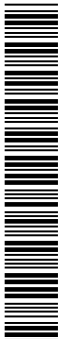
11                  “(H) the Small Business Administration.”.

12                  (b) ACCEPTANCE OF CREDIT BY A BANK EXAM-  
13                  INER.—Section 213 of title 18, United States Code, is  
14                  amended to read as follows:

15                  **“§ 213. Acceptance of credit by bank examiner**

16                  “(a) Whoever, being an examiner, accepts an exten-  
17                  sion of credit from any financial institution that the exam-  
18                  iner examines or has authority to examine, or from any  
19                  person connected with any such financial institution, shall  
20                  be fined under this title or imprisoned not more than one  
21                  year, or both; and may be fined a further sum equal to  
22                  the amount of the credit extended, and shall be disquali-  
23                  fied from holding office as such examiner.

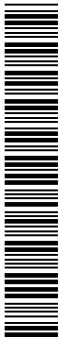
24                  “(b) Notwithstanding subsection (a) or section 212,  
25                  a Federal financial institution regulatory agency may, by



1 regulation or by order on a case-by-case basis, permit a  
2 financial institution to extend credit to an examiner, and  
3 permit an examiner to accept an extension of credit from  
4 a financial institution, if the agency determines that the  
5 extension of credit would not likely affect the integrity of  
6 any examination of a financial institution. Before pre-  
7 scribing regulations or issuing any order under this sub-  
8 section, a Federal financial institution regulatory agency  
9 shall consult with each other Federal financial institution  
10 regulatory agency with regard to any such regulation or  
11 order. Any regulation prescribed by a Federal financial in-  
12 stitution regulatory agency under this subsection, may ex-  
13 empt certain classes or categories of credit from the scope  
14 of this section or section 212, and shall provide procedures  
15 for examiners and financial institutions to request case-  
16 by-case exemption orders under this subsection, subject to  
17 subsection (c).

18 “(c) In considering any request by a financial institu-  
19 tion or examiner for a case-by-case exemption order under  
20 subsection (b), a Federal financial institution regulatory  
21 agency shall consider such factors as the agency deter-  
22 mines to be appropriate, including—

23 “(1) whether the terms and conditions of the  
24 credit being offered the examiner are generally com-  
25 parable to those offered by the financial institution



1 in connection with similar types of credit extended  
2 to other customers in similar circumstances;

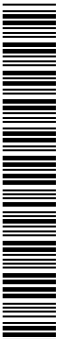
3 “(2) the nature and extent of any other rela-  
4 tionship the examiner has with the financial institu-  
5 tion or any officer, director, or employee of the fi-  
6 nancial institution;

7 “(3) the proximity in time between any exam-  
8 ination of the financial institution in which the ex-  
9 aminer participated, or is scheduled to participate,  
10 and the extension, or the offer of an extension, of  
11 credit;

12 “(4) whether there are any other circumstances  
13 involving the transaction, or the proposed trans-  
14 action, that may be perceived as providing the exam-  
15 iner with preferential treatment; and

16 “(5) any other fact or circumstance the agency  
17 may consider to be appropriate under the cir-  
18 cumstances.

19 “(d) Notwithstanding subsection (a) or section 212,  
20 an examiner employed by a Federal financial institution  
21 regulatory agency may apply for and receive a credit card,  
22 or otherwise be approved as a cardholder, under any credit  
23 card account under an open end consumer credit plan, to  
24 the extent the terms and conditions applicable with respect  
25 to such account, and any credit extended under such ac-



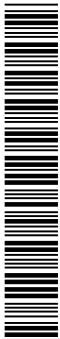
1 count, are no more favorable generally to the examiner  
2 than the terms and conditions that are generally applica-  
3 ble to credit card accounts offered by the same financial  
4 institution to other cardholders under open end consumer  
5 credit plans.

6 “(e) For purposes of this section, the following defini-  
7 tions shall apply:

8 “(1) The terms ‘examiner’, ‘Federal financial  
9 institution regulatory agency’, and ‘financial institu-  
10 tion’ have the same meaning as in section 212.

11 “(2) The term ‘credit’ means the right granted  
12 by a creditor to a debtor to defer payment of debt  
13 or to incur debt and defer its payment.

14 “(3) The term ‘creditor’ refers only to a person  
15 who both (A) regularly extends, whether in connec-  
16 tion with loans, sales of property or services, or oth-  
17 erwise, consumer credit which is payable by agree-  
18 ment in more than four installments or for which  
19 the payment of a finance charge is or may be re-  
20 quired, and (B) is the person to whom the debt aris-  
21 ing from the consumer credit transaction is initially  
22 payable on the face of the evidence of indebtedness  
23 or, if there is no such evidence of indebtedness, by  
24 agreement. Notwithstanding the preceding sentence,  
25 in the case of an open-end credit plan involving a

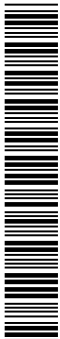


1 credit card, the card issuer and any person who hon-  
2 ors the credit card and offers a discount which is a  
3 finance charge are creditors.

4 “(4) The term ‘consumer’, when used with ref-  
5 erence to an open end credit plan, means a credit  
6 plan under which the party to whom credit is offered  
7 or extended is a natural person, and the money,  
8 property, or services which are the subject of any  
9 transaction under the plan are primarily for per-  
10 sonal, family, or household purposes.

11 “(5) The term ‘open end credit plan’ means a  
12 plan under which the creditor reasonably con-  
13 templates repeated transactions, which prescribes  
14 the terms of such transactions, and which provides  
15 for a finance charge which may be computed from  
16 time to time on the outstanding unpaid balance. A  
17 credit plan which is an open end credit plan within  
18 the meaning of the preceding sentence is an open  
19 end credit plan even if credit information is verified  
20 from time to time.

21 “(6) The term ‘credit card’ means any card,  
22 plate, coupon book or other credit device existing for  
23 the purpose of obtaining money, property, labor, or  
24 services on credit.



1           “(7) The term ‘cardholder’ means any person to  
2           whom a credit card is issued or any person who has  
3           agreed with the card issuer to pay obligations arising from the issuance of a credit card to another  
4           person.  
5

6           “(8) The term ‘card issuer’ means any person  
7           who issues a credit card, or the agent of such person  
8           with respect to such card.”.

9           (c) CLERICAL AMENDMENTS.—The table of sections  
10          for chapter 11 of title 18, United States Code, is amended  
11          by striking the items relating to sections 212 and 213 and  
12          inserting the following new items:

          “212. Offer of credit to bank examiner.

          “213. Acceptance of credit by bank examiner.”.

13       **SEC. 614. PARITY IN STANDARDS FOR INSTITUTION-AFFILI-**  
14                               **ATED PARTIES.**

15          Section 3(u)(4) of the Federal Deposit Insurance Act  
16          (12 U.S.C. 1813(u)(4)) is amended by striking “know-  
17          ingly or recklessly”.

18       **SEC. 615. ENFORCEMENT AGAINST MISREPRESENTATIONS**  
19                               **REGARDING FDIC DEPOSIT INSURANCE COV-**  
20                               **ERAGE.**

21          (a) IN GENERAL.—Section 8 of the Federal Deposit  
22          Insurance Act (12 U.S.C. 1818) is amended by adding at  
23          the end the following new subsection:



1       “(x) MISREPRESENTATION REGARDING DEPOSIT IN-  
2       SURANCE COVERAGE.—

3               “(1) IN GENERAL.—Any person who knowingly  
4       violates the third undesignated paragraph of section  
5       709 of title 18, United States Code, shall be liable  
6       to the United States Government for a civil penalty  
7       in an amount not to exceed \$1,000,000 for each day  
8       during which such violation occurs or continues.

9               “(2) TIME LIMITATIONS FOR ASSESSMENTS  
10       AND COMMENCEMENT OF CIVIL ACTIONS.—

11               “(A) ASSESSMENTS.—The Corporation  
12       may assess a civil penalty under paragraph (1)  
13       at any time before the end of the 6-year period  
14       beginning on the later of—

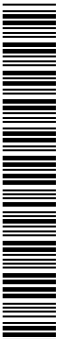
15                       “(i) the date the violation occurred; or

16                       “(ii) in the case of a continuing viola-  
17       tion, the last day the continuing violation  
18       occurred.

19               “(B) CIVIL ACTIONS.—The Corporation  
20       may commence a civil action to recover a civil  
21       penalty assessed under this subsection at any  
22       time before the end of the 2-year period begin-  
23       ning on the later of—

24                       “(i) the date the penalty was assessed;

25                       or



1                   “(ii) the date any judgment becomes  
2                   final in any criminal action under section  
3                   709 of title 18, United States Code, in  
4                   connection with the same violation with re-  
5                   spect to which the penalty is assessed.

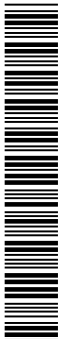
6                   “(3) CRIMINAL PENALTY NOT EXCLUSIVE OF  
7                   CIVIL PENALTY.—A civil money penalty may be im-  
8                   posed under this subsection with respect to any vio-  
9                   lation of the third undesignated paragraph of section  
10                  709 of title 18, United States Code, notwithstanding  
11                  the fact that a criminal penalty is imposed with re-  
12                  spect to the same violation.”.

13   **SEC. 616. COMPENSATION OF FEDERAL HOME LOAN BANK**  
14                   **DIRECTORS.**

15                  Section 7(i) of the Federal Home Loan Bank Act (12  
16   U.S.C. 1427(i)) is amended to read as follows:

17                  “(i) DIRECTORS’ COMPENSATION.—

18                   “(1) IN GENERAL.—Each Federal home loan  
19                  bank may pay the directors on the board of directors  
20                  of the bank reasonable compensation for the time re-  
21                  quired of such directors, and reasonable expenses in-  
22                  curred by the directors, in connection with service on  
23                  the board of directors, in accordance with resolutions  
24                  adopted by the board of directors and subject to the  
25                  approval of the board.



1           “(2) ANNUAL REPORT BY THE BOARD.—Infor-  
2           mation regarding compensation and expenses paid  
3           by the Federal home loan banks to the directors on  
4           the boards of directors of the banks shall be included  
5           in the annual report submitted to the Congress by  
6           the Board pursuant to section 2B(d).”.

7           **TITLE VII—CLERICAL AND**  
8           **TECHNICAL AMENDMENTS**

9   **SEC. 701. CLERICAL AMENDMENTS TO THE HOME OWNERS’**  
10           **LOAN ACT.**

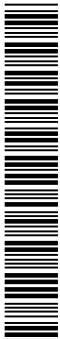
11           (a) AMENDMENT TO TABLE OF CONTENTS.—The  
12           table of contents in section 1 of the Home Owners’ Loan  
13           Act (12 U.S.C. 1461) is amended by striking the items  
14           relating to sections 5 and 6 and inserting the following  
15           new items:

          “Sec. 5. Savings associations.  
          “Sec. 6. [Repealed.]”.

16           (b) CLERICAL AMENDMENTS TO HEADINGS.—

17                 (1) The heading for section 4(a) of the Home  
18           Owners’ Loan Act (12 U.S.C. 1463(a)) is amended  
19           by striking “(a) FEDERAL SAVINGS ASSOCIA-  
20           TIONS.—” and inserting “(a) GENERAL RESPON-  
21           SIBILITIES OF THE DIRECTOR.—”.

22                 (2) The section heading for section 5 of the  
23           Home Owners’ Loan Act (12 U.S.C. 1464) is  
24           amended to read as follows:



1 **“SEC. 5. SAVINGS ASSOCIATIONS.”.**

2 **SEC. 702. TECHNICAL CORRECTIONS TO THE FEDERAL**  
3 **CREDIT UNION ACT.**

4 The Federal Credit Union Act (12 U.S.C. 1751 et  
5 seq.) is amended as follows:

6 (1) In section 101(3), strike “and” after the  
7 semicolon.

8 (2) In section 101(5), strike the terms “account  
9 account” and “account accounts” each place any  
10 such term appears and insert “account”.

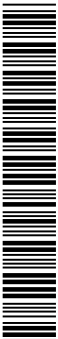
11 (3) In section 107(a)(5)(E) (as so designated  
12 by section 303 of this Act), strike the period at the  
13 end and insert a semicolon.

14 (4) In paragraphs (6) and (7) of section 107(a)  
15 (as so designated by section 303 of this Act), strike  
16 the period at the end and insert a semicolon.

17 (5) In section 107(a)(7)(D) (as so designated  
18 by section 303 of this Act), strike “the Federal Sav-  
19 ings and Loan Insurance Corporation or”.

20 (6) In section 107(a)(7)(E) (as so designated  
21 by section 303 of this Act), strike “the Federal  
22 Home Loan Bank Board,” and insert “the Federal  
23 Housing Finance Board,”.

24 (7) In section 107(a)(9) (as so designated by  
25 section 303 of this Act), strike “subchapter III” and  
26 insert “title III”.



1           (8) In section 107(a)(13) (as so designated by  
2           section 303 of this Act), strike the “and” after the  
3           semicolon at the end.

4           (9) In section 109(c)(2)(i), strike “(12 U.S.C.  
5           4703(16))”.

6           (10) In section 120(h), strike “under the Act  
7           approved July 30, 1947 (6 U.S.C., secs. 6–13),” and  
8           insert “chapter 93 of title 31, United States Code,”.

9           (11) In section 201(b)(5), strike “section 116  
10          of”.

11          (12) In section 202(h)(3), strike “section  
12          207(c)(1)” and insert “section 207(k)(1)”.

13          (13) In section 204(b), strike “such others pow-  
14          ers” and insert “such other powers”.

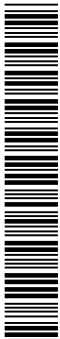
15          (14) In section 206(e)(3)(D), strike “and” after  
16          the semicolon at the end.

17          (15) In section 206(f)(1), strike “subsection  
18          (e)(3)(B)” and insert “subsection (e)(3)”.

19          (16) In section 206(g)(7)(D), strike “and sub-  
20          section (1)”.

21          (17) In section 206(t)(2)(B), insert “regula-  
22          tions” after “as defined in”.

23          (18) In section 206(t)(2)(C), strike “material  
24          affect” and insert “material effect”.



1           (19) In section 206(t)(4)(A)(ii)(II), strike “or”  
2           after the semicolon at the end.

3           (20) In section 206A(a)(2)(A), strike “regulator  
4           agency” and insert “regulatory agency”.

5           (21) In section 207(c)(5)(B)(i)(I), insert “and”  
6           after the semicolon at the end.

7           (22) In section 207(c)(8)(D)(ii)(I), insert a  
8           closing parenthesis after “Act of 1934”.

9           (23) In the heading for subparagraph (A) of  
10          section 207(d)(3), strike “TO” and insert “WITH”.

11          (24) In section 207(f)(3)(A), strike “category  
12          or claimants” and insert “category of claimants”.

13          (25) In section 209(a)(8), strike the period at  
14          the end and insert a semicolon.

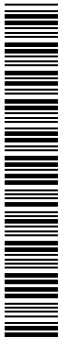
15          (26) In section 216(n), insert “any action” be-  
16          fore “that is required”.

17          (27) In section 304(b)(3), strike “the affairs or  
18          such credit union” and insert “the affairs of such  
19          credit union”.

20          (28) In section 310, strike “section 102(e)” and  
21          insert “section 102(d)”.

22   **SEC. 703. OTHER TECHNICAL CORRECTIONS.**

23          Section 1306 of title 18, United States Code, is  
24          amended by striking “5136A” and inserting “5136B”.



1   **SEC. 704. REPEAL OF OBSOLETE PROVISIONS OF THE BANK**

2                   **HOLDING COMPANY ACT OF 1956.**

3           (a) IN GENERAL.—Section 2 of the Bank Holding  
4 Company Act of 1956 (12 U.S.C. 1841) is amended—

5               (1) in subsection (c)(2), by striking subpara-  
6 graphs (I) and (J); and

7               (2) by striking subsection (m) and inserting the  
8 following new subsection:

9           “(m) [Repealed]”.

10       (b) TECHNICAL AND CONFORMING AMENDMENTS.—

11 Paragraphs (1) and (2) of section 4(h) of the Bank Hold-  
12 ing Company Act of 1956 (12 U.S.C. 1843(h)) are each  
13 amended by striking “(G), (H), (I), or (J) of section  
14 2(c)(2)” and inserting “(G), or (H) of section 2(c)(2)”.

